

Utilizing the Electronic Tax Return Reader

Our patent-approved Electronic Tax Return Reader allows for secure upload of your client's financial information. It ensures that only relevant tax fields are coming into ProfitCents and excludes Personally Identifiable Information (PII) when tax returns are imported. Print your client's tax return to a PDF from one of our supported tax packages (listed here) and upload that file into ProfitCents. Once the information is uploaded, you are able to run an Industry Data with Company Comparisons Report.

- Drake
- Lacerte
- UltraTax CS
- CCH Prosystem fx Tax
- Proseries Tax

Industry Data with Company Comparisons Report

Value-Added Reporting for Clients

- Demonstrate a sincere interest in the health of your client's business

SWOT Analysis

- Highlight the client's % distance from industry standards

Cross-Selling for Consulting Engagements

- Plant the seed and quickly identify opportunities for advisory services after tax season

Recommendations for Conversation Starters

- Industry specific recommendations help provide talking points and suggestions which can be used to develop solutions to areas of opportunity

| INDUSTRY FINANCIAL DATA AND RATIOS | | | | | |
|--|--------------|------------------------|------------------------|------------|---------------------|
| <p>Green: Company metrics highlighted in green are within the top 20% of the industry. Red: Company metrics highlighted in red are within the bottom 20% of the industry.</p> | | | | | |
| Industry Data (Number of Financial Statements) | | | | | |
| View Formula Key | | | | | |
| Financial Metric | Company Data | Recent 12 Months (136) | Distance from Industry | 2018 (157) | 2000-Present (2852) |
| Current Ratio | 8.72 | 3.79 | 130% | 3.33 | 3.00 |
| Quick Ratio | 8.44 | 3.26 | 159% | 2.98 | 2.50 |
| Gross Profit Margin | 67.84% | 63.75% | 6% | 66.76% | 64.90% |
| Net Profit Margin | -22.48% | 10.64% | -311% | 9.98% | 9.70% |
| Inventory Days | 0.00 | -- | -- | -- | 0.06 |
| Accounts Receivable Days | 67.70 | 42.56 | 59% | 36.55 | 37.24 |
| Accounts Payable Days | 0.00 | 22.35 | -100% | 24.75 | 31.59 |
| Interest Coverage Ratio | -37.82 | 15.71 | -341% | 16.71 | 13.92 |

| PROFITS & PROFIT MARGIN | |
|---|---|
| What are some things the company might do to develop favorable profitability trends? | |
| ▶ | Monitor the profit generated per individual client and focus business on the most profitable. Determine what aspects make those clients more profitable and if other clients can be turned more profitable. |
| ▶ | Monitor operating costs (labor charges) continuously, because it is easy for the company to get "bloated". In this industry, operating costs as a percentage of revenue should be about 30-35% of revenue. |
| ▶ | Implement best practices in order to increase efficiency. Some examples include knowledge sharing databases and process standardization. It would also be prudent to document the best practices in order to create user manuals for future consulting engagements. |
| ▶ | Consider using cost-plus pricing by establishing your fees based upon the price the firm incurs, rather than basing it on each staff person's cost for that engagement. |



Communicate your value



Highlight your financial acumen



Convert annual transactional clients into planning and advisory clients



Increase awareness of your services