



Scott Sanders / Photo by Bob Giglione

## Q&A: Scott Sanders, Sanders Thaler Viola & Katz

By: Claude Sohnik December 1, 2014 0

Scott Sanders of accounting firm [Sanders Thaler Viola & Katz](#) knows the accounting industry inside-out. The past president of the Nassau Chapter of the [New York State Society of CPAs](#) now leads the society's small firm managing and accounting practice committee – a specific niche he also knows well, as managing partner of his 35-member Jericho firm, which is riding the industry's merger wave.

**What are the biggest issues facing small accounting firms?** Attracting and retaining qualified personnel. It's difficult for a smaller-sized firm – not ours, we've grown to 35 people – but it's difficult for a small practitioner to attract a 15-year senior. Even attracting young people is difficult.

**Is a small firm a good fit for new accountants?** They learn a lot versus working for the Big Four. If you work for the Big Four out of college, you can work on one account for six months. At a small firm, you'll probably learn 20 to 30 things.

**What are some growth areas for small firms?** There are more niche practices. We have half-a-dozen niche practices. There's more of a demand from financial institutions for audits. If you want a \$250,000 loan for a business, years ago they'd say, "Give us a compilation." Now banks and underwriters want a review or audit. It requires more accounting services.

**What are the hottest "niche practice" areas?** Business valuation, mergers and forensics. A lot of firms are concentrating in that. It behooves us to see what will happen.

**Well ... what do you think will happen?** They're going to start to talk about merging to consolidate services. It will be less expensive. Instead of having departments under separate roofs, it will be less expensive to provide services with similar staff.

**Are there other factors driving these mergers?** The aging population of CPAs. The average age is about 58 years old. It's been more difficult for them to provide additional services, so there's more of a need for smaller practitioners to merge.

**You recently brought another firm on board.** We took on a sole practitioner who specializes in the entertainment industry. He came along with five employees. Now we'll be able to build that practice in the entertainment industry.

**What is the future like for the sole practitioner?** I don't think they're going to go away. I do think there will be some need on the small end, maybe for individual clients or small mom-and-pop stores. But any sizable client that does business in more than one state will have a need for a midsized accounting firm.

**Are salaries in the accounting industry rising?** I've seen salaries in the accounting industry go up. They started to go up about a year ago, by about 5 percent. I think salaries in the general economy have gone up, too, but not as much as in the accounting industry.

**How are your clients doing?** The economy has changed in the last two years. A significant amount of the cash that was set aside is still set aside for future growth. But they're managing cash better. A lot of our clients are doing better, some opening up other businesses in their organizations.

**The Oct. 15 deadline for the second extension for individual tax returns – historically, a very busy time for accountants – just passed. How'd you do?** This was our best Oct. 15 filing deadline. There was no backup. We weren't working until midnight. We built our infrastructure and we've been planning for growth, so we had more interns and junior [accountants] than we needed. Our workload flowed very easily. We were 98 percent done by Oct. 10.

Tagged with:

ACCOUNTANTS

LONG ISLAND

NEW YORK STATE SOCIETY OF CPAS

SANDERS THALER VIOLA & KATZ



**YOUR BUSINESS IS  
YOURS TO MAKE**

[LEARN MORE ▶](#)

- ✓ 100% US-Based Service & Support
- ✓ Low Cost Per Print
- ✓ Quick First Print
- ✓ Cloud Connectivity

**MAXIFY | Canon**