



# The Bookkeeping Practice

*Recurring revenue from day one, 85% margins, and clients who stay for years. The quietest wealth-builder in professional services.*

\$300-900

START LEAN

14-30 days

FIRST DOLLAR

80-90%

TYPICAL MARGIN

# Is this your business?

Bookkeeping is the rare business where the product is monthly recurring revenue itself. Every small business is legally required to keep books, most owners hate doing it, and the ones who outsource it almost never leave. You sell a \$300-800 monthly subscription to peace of mind, and a book of 15 clients is a six-figure practice run from a laptop. No inventory, no truck, no season. Just a ledger that compounds.

\$300-900

LEAN STARTUP COST

\$1,500-3,500

STANDARD BUILD

14-30 days

TIME TO FIRST DOLLAR

80-90%

TYPICAL GROSS MARGIN

Yes, fully

SOLO-FRIENDLY

Yes, entirely

HOME-BASED

## BUILT FOR THESE FOUNDER TYPES

THE OPERATOR

THE ADVISOR

■ ■ ■ ■ ■ 2/5 difficulty

### THE HONEST FIT TEST

This rewards precision people. You will reconcile accounts, chase receipts, and ask the same client three times what that \$412 Amazon charge was. If ambiguity in numbers genuinely bothers you and you can hold a deadline without supervision, you are built for this. If you find detail work draining and want constant novelty, look at consulting instead.

# Who pays, and why now.

There are over 33 million small businesses in the United States and every single one of them generates transactions that must be categorized, reconciled, and reported. The owner has three options: do it themselves at 11 p.m., hire a \$60,000 in-house bookkeeper they cannot afford, or pay you \$500 a month. For any business doing real revenue, the third option is obvious. Your market is not people who want bookkeeping. It is people who are already behind on it.

The buying trigger is almost always pain with a date attached: tax season is coming and the books are a mess, a loan application needs financials, a partner or investor asked for a P&L that does not exist. The 'clean-up project' is the front door of this entire industry. A business that is 14 months behind will pay \$1,500-4,000 to get caught up, and the catch-up client converts to a monthly subscriber at a rate most industries would kill for.

Here is the insider economics: generalist bookkeepers compete on price, but niched bookkeepers set it. A bookkeeper for 'small businesses' charges \$350 a month. A bookkeeper who only serves dental practices, or contractors, or e-commerce brands on Shopify, charges \$700-900 for the same hours, because the owner is buying someone who already knows their chart of accounts, their software stack, and their margins. Niching by industry is the single highest-leverage decision in this business, and almost nobody starting out makes it.

Cloud accounting did not kill this trade, it industrialized it. QuickBooks Online and Xero with bank feeds turned data entry into review work, which means one skilled person can carry 20-30 clients where a paper-era bookkeeper carried 8. Software replaced the typing, not the judgment, and judgment is what the client is paying for.

WHO BUYS	WHAT THEY PAY	WHAT THEY ACTUALLY WANT
Trades & contractors	\$400-800/mo	Job costing, clean books for bonding and loans, no tax-season panic
Restaurants & retail	\$500-900/mo	Daily sales reconciled, sales tax filed on time, theft visible early
Agencies & online businesses	\$300-700/mo	Stripe and payroll untangled, real margins per client or product
Medical & dental practices	\$600-1,200/mo	A specialist who knows insurance deposits and never misses a close
CPA firms (overflow)	\$50-75/hr wholesale	A reliable subcontractor for write-up work they do not want

## ANNUAL CLIENT RETENTION DONE RIGHT

# 97%+

A bookkeeping client who survives the first 90 days typically stays for years, because switching means handing a stranger their financial mess again. Twenty clients at \$500 a month is \$120,000 a year that re-sells itself every month you simply do not screw up.

# Every dollar, before you spend it.

This is one of the cheapest legitimate businesses to start in America. You already own the computer. The software is free or near-free for practitioners, and the certifications that matter cost nothing but study hours. Spend your scarce capital on insurance and a credible web presence, not on courses promising six figures.

THE LEAN BUILD · START HERE	WHY IT EARNS ITS PLACE	COST
<b>LLC formation + EIN</b>	Your liability wall. EIN is free at irs.gov. THE LAUNCHPAD Module Three walks every step	\$50-500
<b>QuickBooks Online Accountant</b>	Free for practitioners, includes your own books plus the ProAdvisor program	\$0
<b>QBO ProAdvisor certification</b>	Free training and exam; the badge plus directory listing generates real leads	\$0
<b>E&amp;O (professional liability) insurance</b>	Covers you when a categorization error costs a client money. Non-negotiable	\$25-50/mo
<b>Password manager + MFA setup</b>	You will hold the keys to client bank feeds. 1Password or Keeper, business tier	\$5-10/mo
<b>Domain, email, one-page website</b>	A real domain and professional email; nobody hands their books to a gmail address	\$60-150
<b>Proposal + engagement letter template</b>	Attorney-reviewed once, reused forever. Scope in writing saves you twice a year	\$100-300
<b>Lean total</b>		<b>\$300-900 to open the doors</b>

THE STANDARD BUILD · ADD AFTER FIRST REVENUE	WHAT IT UNLOCKS	COST
<b>Practice management software</b>	Keeper, Financial Cents, or Karbon: client checklists, document requests, close tracking	\$30-60/mo
<b>Second monitor + document scanner</b>	Reconciliation on one screen, source documents on the other. Pays for itself in a week	\$200-450
<b>Xero certification + second-stack tools</b>	Hubdoc, Dext, or Ramp integrations widen the clients you can serve	\$0-50/mo
<b>Niche industry course or community</b>	Construction accounting, e-commerce inventory, or restaurant ops: the niche premium starts here	\$200-800

## THE RULE

Do not buy a \$2,000 'start your bookkeeping business' course before you have a client. The ProAdvisor track is free, the software is free, and your first three clients will teach you more than any curriculum. Revenue first, then invest in the niche that revenue revealed.

# Clean from day one.

Bookkeeping requires no license in most states, which surprises almost everyone. The legal traps here are not about permission to practice. They are about the words you use, the scope you sign, and the data you hold.

- Form your LLC and open a business bank account:** Standard liability separation. File in your home state, get the free EIN, keep client payments out of your personal account from dollar one.
- Watch your language: no 'accountant' or 'CPA':** In most states 'bookkeeper' is unregulated but 'accounting services,' 'accountant,' and anything implying CPA status is restricted to licensees. Your website says bookkeeping, monthly close, and financial reporting. State boards of accountancy do send letters.
- Engagement letter on every client, no exceptions:** Defines exactly what you do (categorize, reconcile, report) and what you do not (audit, detect fraud, give tax advice). When a client's employee embezzles and they ask why you did not catch it, this letter is your defense.
- E&O insurance bound before the first client:** A misclassified expense that triggers a tax bill, a missed sales-tax filing: errors here have invoices attached. \$25-50 a month for \$1M in coverage.
- Written data-security practices:** MFA on everything, a business password manager, view-only bank access wherever possible, and never credentials over email. Clients are trusting you with bank feeds; act like it.
- Never take signing authority on client accounts:** View-only access protects both of you. The moment you can move client money, your fraud exposure and insurance costs change completely. Decline politely, every time.
- Know the line into tax work:** Preparing returns for compensation requires an IRS PTIN, and payroll filings have their own rules. Stay in your lane or expand deliberately with the right registrations (see the Tax Preparation playbook).

## INSURANCE, SPECIFICALLY

Professional liability (E&O) is the policy that matters: it covers the cost of your mistakes in the work itself. Add cyber liability once you hold 10+ clients' financial data, typically \$25-40 a month more, because a breach of client bank data is the one event that could actually end the practice. General liability matters little when nobody visits your office.

## WATCH FOR

Scope creep into tax advice. Clients will constantly ask 'can I deduct this?' and answering feels harmless. It is not: tax advice from an unlicensed preparer is both a liability hole and, in some states, a regulatory violation. The professional move is a warm handoff: 'great question for your CPA, want an intro to mine?' That sentence builds your referral network instead of your risk.

Requirements vary by state and city. Verify with your state, city clerk, and a licensed professional. Education, not legal advice.

# Three doors. Real numbers.

Price monthly and flat, never hourly. Hourly bookkeeping punishes you for getting faster and makes every invoice a negotiation. Flat monthly pricing based on transaction volume and complexity means software efficiency goes into your pocket, and the client gets the predictable bill they actually want.

## DOOR ONE

### The Essentials

\$300-400 per month

- Up to ~100 transactions monthly
- All accounts reconciled monthly
- P&L and balance sheet by the 10th
- Email support, 48-hour response

## RECOMMEND

## DOOR TWO

### The Operator

\$550-700 most-booked

- Up to ~300 transactions, multiple accounts
- Weekly categorization, monthly close
- Accounts receivable and payable tracking
- Monthly video walkthrough of the numbers
- Sales tax filing where applicable

## DOOR THREE

### The Controller

\$900-1,400 per month

- High volume or multi-entity books
- Payroll coordination and 1099 prep
- Budget vs. actuals and cash-flow report
- Monthly 30-minute strategy call
- Year-end CPA package prepared for them

## PRICING NOTES FOR THIS BUSINESS

- Clean-up and catch-up projects price separately: \$300-500 per month behind, half upfront. Never fold a 14-month mess into the first monthly invoice.
- Quote from transaction volume, account count, and payroll presence. Ask for view access to the books before quoting anything: the mess is always bigger than described.
- The niche premium is real: industry-specialist practices charge 50-100% above generalists for identical hours. Pick a niche by client three.
- Annual increases of 5-8% on the anniversary, announced in writing, are normal in this industry. Clients who would leave over it were mispriced from the start.

## THE UPSSELL THAT PAYS THE RENT

The monthly walkthrough call. Moving a client from silent reports to a 20-minute video review of their numbers justifies the jump from Door one to Door two, and it is where they realize you are the only person who actually looks at their whole business every month. That realization is what makes clients stay a decade and refer their friends.

# Names, not strategies.

Your first ten clients are hiding in three places: business owners you already know who are behind on their books, CPA firms drowning in write-up work they hate, and the QuickBooks ProAdvisor directory. You do not need a brand. You need one clean month-end close someone can vouch for.

## 1 Your own network's business owners

List every owner you know: gym, salon, contractor, friend with an Etsy store. Offer a free 'books health check': 30 minutes in their QuickBooks, three findings in writing. The check converts because the books are always worse than they thought.

## 2 Three local CPA firms

CPAs lose money on bookkeeping and do it anyway to keep tax clients. Offer white-label monthly write-up at a wholesale rate. One firm can hand you five clients by tax season, and their referral is instant credibility.

## 3 The ProAdvisor directory

Once certified (free), you are listed where business owners actually search for QuickBooks help. Complete every profile field, list your niche, and answer inquiries within the hour: speed wins these leads.

## 4 Niche industry groups

Pick your niche and go where they gather: the contractor association meeting, the local restaurant alliance, the e-commerce subreddit. One specialist post ('the 3 bookkeeping mistakes I see in every contractor's books') outperforms a hundred generic ads.

## 5 Local lenders and loan brokers

SBA lenders and loan brokers reject deals weekly because the books are a disaster. Introduce yourself as the person who fixes financials for loan packages. They need you as much as you need them.

### THE EXACT ASK

*"Hi [name], I run a bookkeeping practice here in [city] and I work mostly with [niche]. Most owners I meet are somewhere between a little behind and fourteen months behind, and honestly the books are usually messier than they think. I do a free 30-minute books health check: I look at your QuickBooks and give you three specific findings in writing, no strings. If it is a mess, I will tell you exactly what cleanup costs. Worth 30 minutes this week?"*

### THE FOUNDING-CUSTOMER DEAL

First five clients: catch-up project at 25% off plus first month of monthly service free, in exchange for a Google review at the 90-day mark and permission to use anonymized before-and-after numbers. Cap it at five, say so publicly, and retire it on schedule. A founding cohort with an end date converts; a permanent discount just lowers your price.

# Owned, earned, then paid.

Bookkeeping is bought on trust and found through referral, directories, and search. Your marketing job is to look meticulous everywhere a nervous business owner checks, and to stay visibly expert in one niche so referrals route themselves to you.

CHANNEL, RANKED	WHY IT WORKS HERE	THE FIRST MOVE
<b>Referral engine (clients + CPAs)</b>	Trust transfers; nearly every great practice is referral-built	Ask at the 90-day mark, every client; send CPAs two referrals for every one received
<b>QuickBooks ProAdvisor directory</b>	Buyers with intent search it daily; certification is the only entry fee	Certify, complete the profile, state your niche, respond same-hour
<b>Google Business Profile + local SEO</b>	'Bookkeeper near me' and 'bookkeeper for [industry]' are buying searches	Claim it, collect a review per month, publish one niche-specific page
<b>LinkedIn niche commentary</b>	Your niche's owners and their advisors scroll it; specialists get remembered	Two posts a week translating real (anonymized) client numbers into lessons
<b>Local lender + attorney network</b>	Loan files and business formations both die on bad books	Quarterly coffee with two lenders and one business attorney; be their fix

## FIVE CONTENT PIECES THAT WIN THIS NICHE

- The 5 bookkeeping mistakes in almost every [niche] business's books (your flagship niche post)
- What a monthly close actually includes, and what it costs in [city] (the page every buyer searches)
- 14 months behind on your books? Here is exactly how cleanup works
- DIY QuickBooks vs. hiring a bookkeeper: the honest break-even point
- What your P&L is trying to tell you: a 5-line walkthrough for owners

## THE REVIEW MACHINE

Ask at the 90-day mark, right after a clean close: 'You came to me fourteen months behind, and you just got your P&L on the 8th. Would you put that in a Google review? I will text you the link.' Reviews mentioning a specific transformation (months behind, loan approved, tax season painless) convert nervous buyers better than any star count.

# One unit, one month, no fog.

Two honest snapshots: what one Door-two client earns you each month, and what a steady solo practice looks like at fifteen clients. Software does the data entry; you are paid for review, judgment, and the close.

ONE UNIT: ONE OPERATOR CLIENT (\$600/MO)	AMOUNT	A WORKING MONTH: SOLO, 15 CLIENTS (STEADY STATE)	AMOUNT
Monthly revenue	\$600	Recurring revenue (avg \$540)	\$8,100
Software share (tools, storage)	-\$20	One cleanup project (avg)	\$1,200
Payment processing (ACH)	-\$6	Software stack	-\$220
Insurance + overhead share	-\$30	Insurance, phone, misc	-\$160
Gross profit (~4 hrs of work)	\$544	Marketing + dues	-\$150
Tax reserve (27%)	-\$147	Pre-tax profit	\$8,770
Yours, per client per month	\$397	Tax reserve (27%)	-\$2,368
		Owner take-home	\$6,402

BREAK-EVEN

## 1-2 clients

With startup costs under \$900 and recurring revenue from the first engagement, the practice is profitable by the second client and recovers every startup dollar inside month one or two. The constraint in this business has never been capital. It is the discipline to keep selling while you serve.

Illustrative figures at typical market rates; your market, prices, and costs will differ. Run YOUR numbers in the One-Page P&L from THE LAUNCHPAD, Module Six. Remember the 25-30% tax reserve on every dollar of profit.

# Pre-decided, so motivation is never consulted.

## WEEK ONE: FOUNDATIONS

- LLC filed, EIN issued, business bank account open
- E&O insurance bound; certificate saved
- QBO Accountant set up; ProAdvisor certification passed
- Engagement letter and proposal templates finalized
- Niche hypothesis chosen and written down

## WEEK TWO: DOORS OPEN

- Books health check offered to 15 owners you know
- ProAdvisor directory profile completed with niche
- Three CPA firms pitched on white-label overflow
- Google Business Profile claimed, first post up
- First health checks delivered with written findings

## WEEK THREE: MOMENTUM

- First cleanup project sold and started
- Founding deal running; track asks vs. signs
- First monthly client onboarded with engagement letter
- LinkedIn niche posting cadence started (2x week)
- Lender and attorney coffees booked

## WEEK FOUR: THE SYSTEM

- First monthly close delivered by the 10th
- 90-day review-ask system written into your checklist
- Pipeline reviewed: 10+ active conversations minimum
- Month-one P&L done; niche hypothesis confirmed or revised
- Pricing tested upward on the newest proposal

### DAY 30 VERDICT

Green light: 3+ paying clients (mix of cleanup and monthly), 10+ health checks delivered, and a CPA or lender actively referring. Yellow: conversations but no signatures: your offer is vague, tighten the health check into a concrete next step with a price. Red: under 15 real asks made in 30 days: this is an outreach problem, not a market problem. Run week two again before changing anything else.

# How this business fails, and how it grows.

## THE FIVE KILLERS

- ✗ **Pricing hourly**  
Hourly billing caps your income at your calendar and penalizes mastery. The faster you get, the less you earn. Flat monthly pricing by volume and complexity is how every healthy practice in this industry runs.

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- ✗ **Taking every client**  
The disorganized cash-only client who texts at midnight will consume three good clients' worth of energy. Qualify hard: clean-ish records, digital banking, and respect for your process, or a cleanup fee that prices the chaos in.

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- ✗ **Folding cleanup into monthly**  
Quoting \$500 a month and then eating 40 hours of catch-up work is the classic new-practice money leak. The mess is a project with a project price. Always scope it separately, always get half upfront.

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- ✗ **Drifting into tax advice**  
One casual 'yes, deduct it' can create real liability and regulatory exposure. Build the CPA referral handoff into your habits from day one; it protects you and builds your referral engine simultaneously.

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- ✗ **Staying a generalist**  
Generalists compete with \$200-a-month offshore services. Specialists in dental, construction, or e-commerce books charge double and get referred constantly. The niche feels limiting; it is the entire growth strategy.

## THREE SCALE PATHS

- 1 **The leveraged practice**  
Hire offshore or junior bookkeepers to run the daily categorization while you review, close, and own client relationships. Standard model: you handle the last 20% of every close, capacity triples, margins hold near 60%.

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- 2 **The advisory climb**  
Move your best clients up the value ladder: cash-flow forecasting, budgets, KPI dashboards, controller-level service at \$1,500-3,000 a month. Same clients, same trust, three times the revenue per relationship.

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- 3 **The niche firm**  
Own one industry completely: 'the bookkeeping firm for HVAC companies.' Industry-specific marketing, processes, and pricing let a niche firm of four people out-earn generalist firms of ten, and acquirers pay premiums for niche books of recurring revenue.

### YOUR FIRST HIRE

A part-time bookkeeper (often offshore, 10-20 hours a week) to run transaction categorization and reconciliation prep once you pass 12-15 clients. You keep the review, the close, and every client conversation. The hire is also your systems test: if your close checklist is not written down well enough for someone else to follow, you have a job, not a practice.

THE STAIRCASE CONTINUES

# The playbook is the map. The machine is waiting.

Everything this playbook describes, Epic Advisory Group can build with you: the brand, the cinematic website, the entity, the engine. Describe your idea to the Launch Engine and see your business real in about sixty seconds, free.

- The Launch Engine: your idea, built free, in about a minute
- THE ASCENT: Founder Edition: the eight-module course
- Launch-in-a-Box: entity, brand, site, and first campaign, one flat price
- Growth, capital readiness, and the path to the public markets

*"There is no right age. There is only the decision."*



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