



PRACTICE MANAGEMENT

Practicing Solo

“Practicing Solo” features interviews with our industry’s seasoned sole practitioners. If you are itching to join the solo ranks, or striving to be more efficient and effective in your established one-person firm, this column offers you practical advice, steeped in experience from the trenches, that can move you forward.

By Rod P. Burkert, CPA/ABV, CVA

INTERVIEW: MICHAEL GOLDMAN

I hope you enjoyed last issue’s interview with Michael Kaplan. This interview features, coincidentally, another Michael ... Michael Goldman, CPA, CVA, CFE, CFE.

Welcome hockey fans! For various reasons, Michael likens his work to that of a goalie. You can read why at www.michaelgoldman.com. His firm’s logo is a hockey goalie.¹ No scales of justice. No stacks of money. No big-city skyline.

Michael has been practicing solo since 1996. He calls Deerfield, Illinois, home, but practices nationally (meaning “lots of phone calls and travel”). His sweet spot is business restructuring and litigation support, or as he more colloquially told me, “remedying other people’s messes.” (I’d like to see that on a shingle: Rod Burkert, ROPM.)

Rod: What was your first year like, and what would have made it better?

Michael: I didn’t realize how addicted I was to a salary until I started going without it. If you’ve spent most of your adult life having someone deposit money into your bank account every two weeks—as I had up to the time I went solo—that’s a tough habit to break! It was harder giving up my salary than it was quitting smoking. And even after all these years of being salary- and smoke-free, I still get occasional cravings for both.

So, working for myself, I live in an eat-what-I-kill world. That first year, every new engagement I got was much more exciting

than any of the things I had accomplished as a corporate manager in my prior life. And to this day, I continue to ride the emotional roller coaster of being on my own, and really appreciate both the joy and the terror of being responsible for my destiny. I find that it’s the tough times that make my successes so exhilarating.

Rod: Do you practice in a specialized niche?

Michael: I call my practice niches “The Holy Trinity”—insolvency, fraud, and valuation. When I get a case with one of these elements, usually one or two of the others are also present. Almost all of my valuations are dispute-oriented: divorce, partnership dissolution, or commercial damages. I do a lot of forensic work that is usually designed to answer the question, “Where did the money go?” I also do a lot of insolvency consulting and negotiation—business turnarounds, pre- and post-bankruptcy, and assignments for the benefit of creditors. Sometimes I even step in and run parts of a troubled company for a period of time.

Rod: What has been your best marketing tactic?

Michael: I’ve tried all the marketing tactics, and none of them are as effective as doing good work. I’ve written articles, published newsletters, given speeches, taught courses, attended conferences, and served on non-profit boards. All of these activities impress people, but very few hire me because of them.

Virtually all of my new work comes from referrals. A great thing about litigation cases is that they involve lots of lawyers...

¹ Why the hockey goalie? See www.michaelgoldman.com/why_the_goalies.htm.

so not only do I get the chance to impress the person who hired me, I get the opportunity to impress potential new clients as well. It amazes me how much my name gets passed around the legal community without my active involvement. That's why I say, if you want more business, do good work.

Rod: How do you price work?

Michael: Too high. Or too low. Probably too low.

When I propose on cases where attorneys don't know me, they say my rates are too high, and I lose some work because of that. When the cases are done, the lawyers usually tell me I should be charging more! Also, I've found that larger law firms can be reluctant to hire me if I don't charge a high enough fee (I can't be that good if I charge so little), and even then, they still do what they can to manage my fees down. Pricing my work properly will probably remain an eternal mystery to me.

Rod: Do you work from a home office or an office office?

Michael: I work from everywhere: my home, my client's offices, restaurants, the Admiral's Clubs at major airports, etc. I needed an office office when my girls were younger. Later, what I saved on not having an outside office helped to pay for a larger home with an ideal layout for my home office.

Rod: Do you have any office staff?

Michael: No. I never wanted any additional mouths to feed besides my own family's. I've lost business over the years because I wasn't "bigger" or because I tend to max out after about 80 hours a week, but I also never had to worry about covering the overhead during slow periods. If there is a need, I can always find other good people to joint venture with.

Also, I sell *my* expertise. If someone wants a staff person to work on their case, there are plenty of places they can go. When someone hires me, they get me. Conventional wisdom says that the way to make real money is off of other people's labor, but every time I've looked at partnering with a firm following that model, they brought less money to the bottom line per partner than I do, even though they started with much higher total revenue.

Rod: Do you have a support group to call on?

Michael: I've found that potential supporters are constantly all around me. I just need to have enough faith to accept them and let them help me.

You have to be able to see the support that might be hiding in plain sight. Over the past 16 years it has never ceased to amaze me who has helped me, literally hundreds of people. People I didn't even know suddenly appeared in my life and latched me on to fantastic opportunities.

I teach and work with entrepreneurs, and I know all the conventional wisdom about needing to have a well defined support group set up. I don't disagree with it, but what I see more of in the real world is that sometimes the people who start out nominally as enthusiastic supporters aren't really there when you need them or aren't able to give the type of help you need. Meanwhile, there is an amazing pool of people out there, some of whom you may not even know yet, in unexpected places, who are willing and eager to help you. Whoever you talk with, do it with confidence and trust and an open mind, open eyes, and open ears. If you don't trust people or have faith in what they do for you or tell you, you won't benefit from it.

Even with all of the horrible cases of fraud, shareholder disputes, and divorce that I get involved in, and the worst kind of human behavior that I've seen, I've become much more trusting over the years and have benefitted tremendously because of that. I've found that to be true of most successful entrepreneurs I've known—over time they become more trusting and more full of faith that good people will help them, even as they get more street-smart and educated from the school of hard knocks.



Michael Goldman

Rod: How do you differentiate yourself from larger firms?

Michael: If you really want the engagement, first listen, then understand, then talk. After I understand the case, and figure out how I can add value to the situation, I focus in on the main difference between the larger firms and me: When you hire me you get me, not some inexperienced junior being trained at your expense, and not the person in the office who happened to need more billable hours at the time. I don't have a palatial office with an atrium and office plants that bill out at \$500 an hour, but I will personally look at everything that needs to be looked at in your case. I will be involved in everything, and I will do everything. If I've impressed the people I'm talking to, by saying things that are insightful and relevant, they generally will see the value I bring.

Rod: How do you stay technically current with changes in the profession?

Michael: I spend a lot of time and money to stay current. I read a lot. I belong to organizations and attend courses and con-

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COURT CORNER

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Candyce Martin 1999 Irrevocable Trust v. United States

2011 U.S. Dist. LEXIS 115616; October 6, 2011
U.S. District Court for the Northern District of California,
Judge Hamilton

A family trust, as partner, was not entitled to readjustment of partnership items pursuant to 26 U.S.C.S. §6226 where the IRS properly adjusted the basis of short options under 26 U.S.C.S. §752. The short options were liabilities that decreased the partner's basis in the partnership under §752 where the long options were purchased and contributed to the partnership at the same time as the inextricably intertwined short options. The petition was denied. **VE**

The summaries in this article are for informational purposes only, and should not be construed as legal advice. If you need legal advice, please consult an appropriate attorney.



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ferences. I do the research to make sure I know what I am doing.

My motivation to stay current is highest when I am in a litigation case, reading the opposing expert's report, and being embarrassed that someone in our profession could publish something so dreadful. When I see someone who has not kept current, every self-preservation instinct I have screams at me not to die the kind of professional death that that person will go through on cross-examination.

Rod: What's your work-life balance like?

Michael: One summer I consulted with an insolvent company that we split into four divisions and sold to four different parties. Hours after I left for vacation, I got a frantic phone call saying my client had infuriated the other parties and they all backed out of what was supposedly a done deal. I spent 82 of my "vacation" hours in a beautiful cabin in the Laurentian Mountains of Quebec talking on the phone, herding the angry people back to the negotiating table. Five weeks later I hit a slow spot, so we took a small portion of the money I made on that job and went on a week-long impromptu vacation. That's my work-life balance—do what I can while I can.

Rod: If you knew then what you know now, you would...

Michael: ...have become a professional hockey goalie instead. Or maybe a rock star. Actually, I love what I am doing... most of the time.

My aptitude tests in high school and college said I should be working outside, doing something dangerous and highly mathematical. Forensic investigations, negotiating with creditors who will never be paid in full, and being cross-examined on the witness stand all fit my personality well. Despite all the things I would have, should have, or could have done differently, I think everything has worked out well for me.

That's a wrap! Do you have a question you would like me to ask in an interview? Got an idea for someone you would like me to interview? Or a question you'd like to ask me? Email me at rod.burkert@burkertvaluation.com, and I'll see what I can do. **VE**



Rod P. Burkert, CPA/ABV, CVA, is the founder of Burkert Valuation Advisors, LLC (www.burkertvaluation.com). His assignments focus on income/gift/estate situations, divorce proceedings, partner/shareholder disputes, and commercial damage/economic loss matters. He also provides independent report review and project consulting services to assist fellow practitioners with their engagements. Rod is a long-time instructor for NACVA's Consultants Training Institute and a past chairman of NACVA's Executive Advisory and Education Boards. He is a member of The Value Examiner Editorial Board.