

# How to Build a Successful Nonprofit Niche

Much has been said on the importance of developing a specific niche within CPA firms. As firms hone in on a specific audience, they increase their knowledge, sensitivity to critical issues and relationships with key players in a niche. Those firms that are successful have set examples for the accounting profession, demonstrating that the more focused a firm is within a segment, the more effective it can be at both service delivery and business development.



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The American Institute of CPAs as well as accounting media have long been highlighting the top industry and functional niches nationwide. But the question is no longer *why* a firm should build a niche practice, but *how* this is accomplished. The first step is to identify those practices that will work well for each firm's situation.

## The Foundation

There is no top secret way to build an impressive nonprofit niche presence. A quick Google search of "niche development" uncovers more responses, articles and suggestions than any firm can possibly read or digest. It is not the proprietary information that is critical. Instead, it is consistent implementation of a basic formula that leads to success. Conversely, this is also the greatest challenge. Firms that have built a strong name in the nonprofit sector have

learned to be consistent. They also share several common characteristics that lead to a robust niche.

First, they have made a thoughtful decision to enter the nonprofit market based on quantity and quality of existing clients in that niche and the firm's potential for offering unique services to this market. Once the decision is made that the niche is viable for the firm, it is important to identify a champion who will take ownership for managing the team, expanding the menu of services and creating relationships in the community.

Next, a team of professionals is assembled that is dedicated to understanding the distinctive issues of the nonprofit community. This team approach enables firms to provide a wider range of services unique to nonprofits. The team approach across multiple disciplines within the firm also encourages insights from different sections. The firm's marketing director, for example, should work with the team to develop and execute the nonprofit niche's growth strategy.

At the beginning of the niche building process the focus is internal, allowing the team time to develop real nonprofit expertise. When firms are overeager, they tend to jump into building an external reputation before they actually have the depth of experience necessary to set themselves apart. It is better to begin by conducting a situational analysis to provide a clear picture of the opportunities and challenges they will face when extending their reach into the nonprofit community. The firm must



draft a plan for the niche, which includes gathering relevant technical information while creating a continuing education platform. Once the foundation is strong, the firm can then turn its attention to the marketplace.

### **Strategy and Tactics**

The question of how to build a nonprofit niche can be reduced to a few key ideas. The first is to have a passion for the nonprofit world and a desire to learn as much as possible about it. The second is to have the firm's total support. If the firm is anxious for immediate returns and is expecting a pipeline of prospects after a short time, there will be disappointment. Patience will allow the champion time to plant roots and grow a reputation as a highly regarded resource for nonprofits. The third ingredient is a strategic plan for building name recognition.

The marketing plan integrates various marketing communication tools based on the firm's resources and commitment. The list of marketing possibilities is endless, limited only by the firm's time, budget and imagination.

Some firms utilize technology to build a nonprofit presence. They host a blog for the nonprofit community, hold online

seminars, conduct online surveys or send email alerts. They also leverage their websites to share pertinent information with nonprofit clients. Other firms advertise in nonprofit publications or sponsor a booth at nonprofit conferences. Still others use more traditional tactics like print materials, including brochures and newsletters, to add value.

But the formula for successful niche development takes into account that each firm will not be able to do it all. The firm selects a range of activities that are comfortable and affordable, enabling it to gain exposure while demonstrating a high level of expertise.

### **Earning Niche Stature**

Keeping the firm's name visible in the nonprofit community is hard work. That is why it is important to have a passionate, accountable champion who can be part cheerleader and part industry expert. While team members may be assigned various tasks, such as writing articles or speaking on nonprofit panels, it is the champion who is responsible for stoking the fire.

Establishing credibility for the CPA firm with the leaders and influencers of nonprofit organizations means the firm – led by the champion and the team

members – should become immersed in the sector. This means joining trade associations, volunteering for committees and investing the time necessary to grow a meaningful network of contacts.

Firms that have stellar reputations have invested in the nonprofit community. They speak at select groups that serve nonprofit organizations, author treatises on relevant topics and are quoted by the nonprofit press. They may also serve on the nonprofit committee for their state CPA society – demonstrating their status as leaders among their peers.

It is rewarding for a CPA firm to have a well-recognized reputation within the nonprofit community. As the firm moves from having a critical mass of clients to developing a true niche presence, the essential ingredients for success are good leadership, a commitment to implementation, patience during the building process, a network of relationships and a dynamic menu of branding and marketing communication tools. 📧

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