April 3, 2006

Money men go out on own

Accountants are creating niche for themselves in local industry

Mary Chao
Staff writer

John Rizzo and Brian DiGiacco were on the partnership track at Bonadio Group, one of the largest accounting firms in the region. That's not a bad place to be, and they said their work was interesting.

But the two men wanted to create an accounting company that could also delve into business opportunities such as real estate and franchising.

So Rizzo, 32, and DiGiacco, 29, have opened their own company in Webster.

"We left for the freedom," DiGiacco said. "We wanted to do other things besides accounting."

Since October, Rizzo & DiGiacco has been able to create its own niche in the local accounting industry, mainly through small business consulting.

The market is filled with small accounting firms that focus on the tax returns business, Rizzo said. Offering an array of services is what the two hope will differentiate the firm, he said.

Starting up their own practice at 661 Ridge Road cost about $20,000 in computers and other office equipment. But the partners met their annual sales goal and have been able to hire two support staffers.

While it's not yet as lucrative as being a partner at a large firm, DiGiacco finds it personally more rewarding.

"We like working with small businesses," DiGiacco said, adding they mostly worked with larger corporations at Bonadio. "We like the feeling of helping them.

Scott Provvidenza, owner of Point-N-Click Computer Solutions in East Rochester, was referred to John Rizzo by a friend and became one of the firm's first clients.

"I was looking for a chief financial officer to come in on a part-time basis," Provvidenza said, noting that Rizzo helped him automate processes at work as well as apply for a training grant. "He gives us what I need to know as an accountant."

Both Rizzo and DiGiacco spend time marketing their services with networking groups, meeting small-business owners.

Right now, they have to reinvest much of what they make back into the business, so they're not making as much as if they were partners at a large CPA firm.

"Eventually it will be as lucrative," DiGiacco said.

An entry-level partner at a CPA firm could make about $130,000 a year and a senior partner about
$250,000 a year, DiGiacco said.

For young accountants such as Rizzo and DiGiacco, entrepreneurship makes sense, said Bob Barbato, professor of entrepreneurship at Rochester Institute of Technology.

"They're at their peak," Barbato said. "Entrepreneurship gives you the chance to grow in the way you determine."

MCHAO@DemocratandChronicle.com

Tips

Timing is everything when it comes to breaking from a large firm to start your own, said CPA Brian DiGiacco. Here is some of his advice for would-be entrepreneurs:

- Work under someone else in your field for a number of years before you start your own business. It's important to hone your skills, learn from a proven mentor and decide which specialties are best for you.
- Assess your current status within the organization you are currently with and where you see yourself within that organization five years from now. It is important to understand what you could be giving up by going out on your own and being sure that you are willing to give it up.
- Assess your own personality traits. An entrepreneur must have the type of personality to take on risk.
- Prepare a business plan including budgets and financial projections for your business — and also a personal budget to determine the minimum you will need to draw from your new business for household needs.
- If you're going to have a partner, make sure you both share the same values and short-term and long-term goals.