

## How to Niche

Hello, BK Lab'ers, this is Justin Boynton. I work very closely with Ben on some core content here for Bookkeeper Lab and I'm excited to be here today. I'm grateful of the opportunity that Ben gave me to work and hopefully you find value in what I'm going to talk about today. But the piece of core content that we're going over today is about niches. So I've titled this Is It Really Important To Pick A Niche? And as you can see on the screen, I'll give you a hint that the answer starts with Y and ends in S and of course rhymes with mess. And the answer is obviously yes, it is really important to pick a niche. When I cover what we're going to cover today, I hope you will be as convinced as I am because I wasn't at first.

When Ben talked about it throughout the Bookkeeper Business Launch program, I was just all about getting clients, I didn't really pick a niche. In fact, at one point I think I told them that, "Yes, of course I picked a niche. I pick a niche of business owners, who have a really open mind and really want to grow their business." And I thought I was really smart doing that. But I ended up spinning my wheels in a lot of areas. And yeah, so I now have picked a niche and we'll talk about that a little bit later. But I think it's super important to pick a niche and that's why I want to talk about it today.

So first of all, what is a niche? Well, is that a niche or a niche? And if anyone listens to podcasts or reads articles or listens to anyone in the industry, you hear it pronounced niche or niche. We, as Americans tend to be different from the rest of the world, take the metric system for example, that's for a different lesson and how we pronounce niche is no exception. So most people here pronounce it niche, whereas the rest of the world pronounces it niche. So you can use whatever one you want. But I will use the word niche throughout the lesson. You'll get sick of hearing the word niche. I'm sorry, but that's what this is about.

So I'll give you the formal definition or some formal definitions of what a niche is. So denoting or relating to products, services, or interests that appeal to a small specialized section of the population. So here's another definition, a small but profitable segment of a market, suitable for focused attention by a marketer. Market niches do not exist by themselves but are created by identifying needs or wants that are not being addressed by competitors and by offering products that satisfy them. So I hope that formal definition makes sense.

Basically, it's a specialized market that we are going to market to, that basically does one thing and does it well. And that's exactly what we're looking to do. When we pick a niche, we're looking to serve one type of client and serve them very, very well. There's a number of reasons why we do that and I'll go into those in a little while. So I want to go forward and talk about niche as far as the bookkeeping and accounting definition. So your business that is focused around a location, an industry, a type of business owner, an area of expertise or a particular accounting or financial management product. So we broke that down a little bit more and gave you the bookkeeping and accounting definition of niche.

So before I go into reasons why I think having a niche is so valuable, I'm going to go into some disadvantages of working in a niche. As you can see there are not many. These are the ones

that I could think of. There's probably more, but they don't really count. No, there are certainly not many of them. So number one, your potential client base is reduced by a significant amount. So if you think about the entire population of businesses across the US for example, it's a massive number. If you think about the number of veterinarians across the US, that number is drastically smaller. So what I'm trying to say is that if you don't have a niche, your potential client base is huge because you're talking about any business.

But when you're talking about just veterinarians, for example, your potential market goes down by quite a bit. Number two is, you may have to say no to potential clients that are referred to you. So if you have a client or if you're in a networking group, like a BNI, you may have to say no to potential referrals that are referred to you. If you're focusing on one niche and that referral doesn't come in and fit into your system or in your niche, you may have to say no. Now that was difficult for me to start doing, but I found that it's extremely gratifying and freeing to be able to do that because now I feel like I'm in the driver's seat and I don't have to take on business just because I simply need the business.

I want someone who's going to fit into my system here. And number three, you may need to let some existing clients go. That goes back to the prior one here. But when you start to really focus and get your system squared away and really find out that you do want to work with a niche, you'll find that some of the other clients that don't fit into that niche start to become a little more difficult. Especially if you don't have a system for them. So you may need to let some existing clients go and number four, there's a large amount of time and energy spent upfront understanding your niche client's needs.

So it makes a lot of sense, if you're going to be an expert in that industry, you're going to need to do a lot of research and spend a lot of time and a lot of energy developing relationships, developing marketing material and all of that. But there's a lot of times spent up front for a lot of gain done later, for a lot less work. And we'll go into some benefits in a little bit here. So why is a niche important in relation to our businesses? Well, as I was saying before, it might seem counterintuitive. How can reducing your total addressable market help you grow your firm? I think it's a great question.

I did not buy into that at first, but I definitely realize that now. So bottom line is, when you focus on a niche, you're able to increase and improve your focus for a particular vertical or a segment, which enables the opportunity to become a recognized go to experts for business within that niche. So, I'm going to talk to you about some reasons to think about picking a niche and these are industry experts. I did a little bit of research finding some really good quotes that involve niches. The first one, Sherrell T. Martin of Nitram Financial Solutions talks about becoming an expert. And she says, "It's important for accounting and booking from professionals to choose a niche because it allows them to become an expert in one industry, which makes it easier to scale their practice."

The second one comes from Lior Zehtser of ConnectCPA and he talks about maintaining high quality work, "From a quality of work standpoint, the knowledge and experience that is acquired through owning a specific niche will be reflected in the service you provide. With

greater learnings comes better service and this doesn't go unnoticed. Soon you are able to differentiate yourself from others and run away from the pack." And the third one comes from Jerlena Arkula of Books LA and she talks about offering better advisory services. And just as an aside, if you're participating in Bookkeeper Lab, you're wanting to grow your business, you will hear a lot about advisory services. You will hear a lot about offering more to clients and it's a way for you to earn more money.

It's a way for you to become really good at what you do, for you to provide a lot of value to your clients and to earn a lot of referrals. And we'll go into that in a little bit, but about offering better advisory services, "By choosing a niche and having knowledge in a particular, we offer strong support to our clients by being an advisor every step of the way. At our firm we are able to implement procedures and follow our own guidelines to streamline our processes, which saves us valuable time. On the other hand, the client appreciates the support they are getting and values us as advisors. Therefore, our value to a client is much greater than just doing their books."

So what I'd like to do is break down those quotes from those industry experts and go through the benefits of what I heard in there. So one of the first ones was, become an expert. So if you think about, I don't know, let's pick a random niche like karate dojos. So if you become an expert at knowing exactly what a karate dojo does, you become much more marketable, especially when you're marketing to karate dojos. You think about different ways that different systems work with their bookkeeping systems. So for example, their POS and the way they onboard their own clients. You can become an expert and provide a lot of value to them because you know, you can share what others are doing.

Number two is, easier to scale your practice. So if you think about it, if you have policies and procedures in place and you don't have a niche and you bring someone on that has let's say a different POS system and then you need to learn that POS system and to figure out how it integrates with your accounting software. And then how you're going to get this report and that report, it becomes a lot of work to onboard someone. Whereas, if you were staying in your niche, they probably already work with the same or similar software. You know which kinds of reports to pull. You know, what vendors are what, and it's much easier to scale your practice.

And then the third one was with greater learnings comes better service. So as we learn, the example that I used earlier with a karate dojo. If you learn how they onboard a new student, you can then offer ways to simplify that process for them and that's just outside of the realm of bookkeeping. So can you imagine going into and working with these karate dojos and you go in as a bookkeeper and you're offering advice on how to run their business smoother or helping them run their business smoother. You offer tremendous value and you offer a lot better service. And number four is, differentiate yourself from others. So let's use the example of karate dojo again.

So let's say a dojo owner, they go out and they're looking for a bookkeeper and they see ads out there for different bookkeepers and all of that and you come along and you say, "Yes, I'm a bookkeeper and I specialize in karate dojos." How much more effective is that than being a

regular bookkeeper, who can just simply do their books? That, by far, would differentiate yourself from others. And if you think about it from the business owner's perspective, it's a no brainer. Number five is streamline our processes.

So I alluded to this a little bit earlier. When you have similar clients, using similar softwares, using similar reports, using similar vendors, it's much, much, much easier streamlining your processes. They become a lot easier, they become a lot more duplicatable. So when you onboard a new client for example, and you stay within your niche, you have such a better opportunity of onboarding them quickly because you know what you need, you know the softwares they work with, you know what reports to pull. All of that and your process become a lot more simple.

Number six is, become an advisor every step of the way. So, if you think of a business owner and you're providing these advisory services and you're providing advice on areas that they didn't even think their bookkeeper offered. They start to trust you, you start to become much more valuable to them and you can then demand a higher price as well because they it's much harder for them to leave, when you are providing the type of service that you're providing. And the last one is it saves us valuable time. Now us, as business owners, we spend a lot of time not only in our businesses but on our businesses and this goes back to streamlining our processes.

If we can save time, I mean think about reasons why you started your business. You didn't start a business to go in and simply code transactions. You probably started your business because you realized there was good income potential. There was the ability to create your own schedule. If you can save some of that valuable time. I'm a father of three, three young boys and we have a very active household and if I can get some of that valuable time back, where I can just spend more time with them and with my wife, that's a huge reason why we're saving time here. And it also frees up time that we can go and market to other people in that niche.

All right, so what happens when you don't pick a niche, so you are not able to really provide any real insight into businesses because you don't really know it that well. You would just be reporting numbers like any old bookkeeper would. We talked about that in the last slide. You spend a much greater amount of time onboarding and doing the monthly work. This goes back to your processes. If you're not in a niche, you simply don't know it as well and you spend more time having to study it and having to onboard your new client and doing the monthly work. The consistency is harder to come by and your business is not nearly as efficient as it should be, making it much more difficult to scale.

I think we're kind of beating a dead horse here, but you can see why picking a niche is so important. This is my favorite one though. Your marketing efforts are so much greater because you are not focusing on anything specific. So when you don't pick a niche, you spend a lot more time marketing. I know the majority of us, as bookkeepers, don't like marketing. So, if you have to spend more time marketing to get the same results, it's kind of a no brainer to pick a niche. Because if most of us, that don't like marketing, have to spend less time doing it, and that's a good thing for us all around, right? So pick a niche, that's all I can say. That's the point of this whole course here.

All right, so let's go into how to pick your niche. Ben did a really great podcast with Kirstin Reeder on this and walked her through how to pick a niche and went through many different things here. So I made a couple of bullet points here, by couple, I mean four, as you can see. So number one is, make a list of industries you currently serve and determine if you simply like working with them or if you love working with them. So you probably like all of the clients you work with, maybe you do, maybe you don't. Maybe there's a select few that you don't really like at all, but they provide a paycheck and all of that. But make a list of all the industries of the clients that you serve now.

And I bet there's a couple in there that you absolutely love working with and who knows for what reason. Maybe it's them as a person, maybe it's the industry they work in, who knows what it is. But basically, if you can find out who or what kind of business you really love working with, that's a great indication of how to pick your niche. Also think of personally, think of some industries that excite you or maybe one that you feel really passionate about, that also shares your beliefs. So for example, if you're an animal lover, I mentioned veterinarians earlier. If you see stray dogs on the side of the road and you come back with a dog every three or four weeks, you know, you're an animal lover and who knows?

Maybe it excites you to work with a veterinarian or some sort of animal shelter. That might be a great way to do it. Some people might choose a solar company for example because they believe in making the earth better, by picking alternative energy. So maybe you pick a solar company that way. So when you think about it, think of some industries that you personally believe in. Also, look back on your work experience and see if you have any particular knowledge that might add value to clients in that industry. I was a former banker before I owned my own business and I knew I had a bunch of work experience where I was able to help people with refinancing their debt and all of that.

So I utilize that, not necessarily in a particular niche, but that's just an example of me utilizing some of my work experience and see if I can add value to any client in that industry. Also, do some industry research and look for new niches that might need our help. So for example, the cannabis industry, solar companies, sports betting companies, that's kind of a brand new thing. As Ben calls it, it's the Wild, Wild West. But those companies desperately need someone who knows what they're doing. So here are some ways to pick your niche. I think if you have trouble at all, I'd love to talk to you about it. You just really have to think about what excites you and what you think you're really good at, okay?

So you have picked your niche, now what? So let's say from the last page till now, you've actually picked a niche, way to go, nice job. But now what do you do? So you understand that you have to understand the language that your client speaks and the cultural norms found in that industry. So this goes back to what I was saying earlier, is that there's a lot of time and effort upfront to learn your industry. But understanding the language they talk about. So my niche for example, is chiropractors. As I've been learning more about chiropractors, I know that they throw around the term DC all the time. Now when you hear DC, you're not not talking about the city. But it's actually a doctor of chiropractic.

But they use it and they use the term chiro all the time. So I've started to learn the industry speak and I've actually put that in my marketing, when I talked to them, I throw around different industry lingo that they have. So you just have to go in and learn about that. Also, follow trends and news in that industry. For example, subscribe to a magazine they read, I subscribe to Chiropractic Economics. Sounds wicked exciting, doesn't it? But it's a wonderful read because there's a lot of stuff in there that I can learn from. Now, as I'm learning, I'm able to go out and talk to other chiropractors in a more educated manner and I'm closing more and more deals that way.

Also, I subscribed to that magazine. I pulled out an ad from that magazine where I'm going to be having a table at one of the state's local conferences. So I'm going to be advertising there and I wouldn't have found that without going in this industry magazine. So it's a really, really great way to move forward in your niche. Also, you may want to think about hiring people that have industry experience to make it even easier to scale. So let's pick veterinarian's again. So if you hire someone that may have been a vet tech in the past, that may have worked in the animal industry, maybe worked at a shelter or something like that. What a great way to use their industry experience to make it even easier to scale and have them help you learn more about that industry.

Also, when you're talking to your niche, talk about long-term goals with them and feel like you're speaking intelligently about them. I used this example with chiropractors the other day. They were talking about buying their own building because a lot of chiropractors rent space in a strip mall or in a professional park or something like that and a lot of them have the business owner mentality, that they want to go out and they want to buy their own property. Well, I've got three or four different chiropractors wanting to do that and I talked to all of them about it and I share the best practices and I don't share specifics, but I share that, "Oh, this person's talking about doing this and we want to put away money doing that."

So it's much easier to talk about long-term goals with them if you know that a lot of chiropractors want to own their own space at some point. And the last one here is help them with other business processes, that you find other clients in your niche are doing. So in other words, share best practices. I talked to you about the karate dojo earlier and let's say that one karate dojo has a particular way of onboarding one of its new students. And the karate dojo that you're talking to still has a paper form and you know you can share the best practices of this company over here, who's killing it and who's onboarding goes from a 20-minute paper registration to a three minute online registration.

Obviously, they save a lot of time there. So, sharing best practices between business processes really helps you add value to your clients. So now you've picked a niche, now what continued. So I have a couple of other here. This is probably my second most favorite here. So creating rock solid marketing focused around solving real world problems your niche clients are facing. So Ben Robinson did a wonderful marketing training, where he talked about recording frequently asked questions. So when you're talking with people in your niche, listen for questions or pains or concerns or just anything in general. Start to record those in some sort of

list, and then you go and create marketing, solving those specific questions, concerns or pain points that they have.

I thought it was brilliant. I never even thought about that before, but it's kudos to you, Ben. That was an aha moment for me. But you can create rock solid marketing focused around solving real world problems for them. And think about this, since you're in a niche, you don't have to redo your marketing. You have one thing that works. Yeah, maybe you tweak it every now and then, but you know your market, your marketing becomes so much, I'm not going to say easier, but it becomes so much more simple because you're not having to do it for a bunch of different industries.

This is my favorite one and I can really talk to this, I'll share some examples of this. You get to know other vendors that specialize in the same niche. For example, a software rep that sells industry specific products, then network with them and look for referrals for them in that area and you will find that they do the same for you. So I had a specific example of this. I was working with a chiropractor and I was noticing in her transactions that she hired a chiropractic coach. I didn't know that there was such a thing, but I said, "Hey, can you introduce me to your chiropractic coach?" And she said, "Oh sure, she's wonderful." So she went out and introduced me. I talked to the chiropractic coach.

Now think about it, I really want to know a chiropractic coach because she's working with hundreds of different chiropractors about how to better scale their businesses, better run their businesses. So I really wanted to meet this person. So we had a great conversation. She actually became my client and now she's referring clients to me because she sees what I have done, not only for this one chiropractor that I started with, but for her and for the people that she's referred me. And because she's trying to help chiropractors develop a better practice, it's obviously a great fit.

So really network with people who are in that industry, who know a lot of your market and if you refer business to them, and obviously I have referred a couple of chiropractors to her as well. So it's a very mutual relationship and it makes marketing so much easier. So get to know vendors that specialize in the same niche and network with them because you'll find that a lot of good comes from it. All right, so to sum everything up, before I go into the summary, I hope you find that there's a lot of value in picking a niche. I hope I did a good job conveying that because when I did it, my mind flipped from owning a job to now I see myself owning a business.

I'm able to scale my business and now I can see there's a great big light at the end of this tunnel and I'm absolutely pumped to run toward it and I hope it's not a train, but I'm pumped to run toward it here. So in summary, so you become known as an expert in the industry and folks start to talk about you to others in their same field, which leads to referrals, obviously, right? If you have a karate dojo and there seems to be one in every town and they obviously know other guys or gals in the industry and they talk between one another and if you provide excellent service to one, of course they're going to talk to more people. More dojos in the next town and it would lead to referrals for you.

You provide higher quality work, which not only creates happy clients, but raving fans. Anyone's ever read that book, Raving Fans, it's a wonderful read. But the thing about it, if you not only create a happy client, but actually an the actual raving fan, you're never going to lose that client. They're going to be your client for as long as you want them your client and the quality of work plays directly into that. You're able to offer information that is over and above what they would get from a typical bookkeeper, which creates value and allows you to charge more for your services.

Continued, you save time because you know different vendors and how to categorize transactions more efficiently. Onboarding new clients is way, way easier because you know the chart of accounts, you know other resources to get them up and running faster. I harped on this earlier, but marketing becomes so much simpler and streamlined. You will spend less time doing it and less time equals more money. So if you think about the reasons why you started your business, for me, it was an extra five or 800 bucks a month. That turned into me leaving my job and really seeing what this business can do for me. And now I want and I got to a point where I was working 60 hours a week on my business and now because I'm systematizing, I've picked a niche, I'm down to about 30 to 35 right now.

I'm spending less time and I'm making more money doing it. So that's the biggest takeaway here. Think about what you started your business for. Maybe it's, you wanted to spend more time with your family. Maybe it's because you did want to earn a little bit extra income. Maybe it's, you want to develop a business that you can go into retirement. Maybe you want to travel the country, whatever it may be. Spending less time and making more money, it's a win-win for everyone. So I'd like to thank you for your time today. Really appreciate the opportunity to share. Hopefully you learned something and bottom line, go out and pick a niche. I can't express that enough. Go out and pick a niche and go start to kill it. Thank you so much and have a great rest of your day, thanks.