



Merger spurs outsourced accounting firm's growth plans

Article by: Todd Nelson
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John Heutmaker knows things are going well when Heutmaker Business Advisors is working itself out of a job.

Referrals from client companies who, with Heutmaker's help, have learned to handle their books or hired someone who can, more than make up for the lack of repeat business.

"I consider that a success story," he said. "When you work your way out of a job, the hope is you have a happy client who tells 10 others."

That philosophy has guided Heutmaker, who founded Edina-based Heutmaker Business Advisors in 2003, to offer outsourced controller, accounting, human resource and payroll services. He's now putting that philosophy to the test as he plans to expand business in the Twin Cities, other markets in Minnesota and surrounding states.

Fueling the expansion is Heutmaker's partnership with Bo Nickoloff, a consultant and past client who said his private equity group "came in and funded the growth opportunities." The merger, struck in October, kicked off in January with the acquisition of a payroll services company and the addition of existing human resource services from Nickoloff's group.

Regional outlook

"The plan we talked about was to build the base here and then maybe expand to the northern region, Duluth and St. Cloud, and then maybe a Rochester," Nickoloff said. "From there ... we'll start to look at the region."

Heutmaker Business Advisors already has a contact in Williston, N.D., where small and midsize companies have the potential to expand amid the oil boom but aren't getting the timely financial statements that would help them plan for growth because they aren't big enough to do business with the major accounting and consulting firms there.

That presents an opportunity, Heutmaker said, to apply his firm's "right-sized" approach to accounting and financial services, bridging the gap between full-service firms, small accounting shops and whatever internal resources a client may have.

"There's a nice role for us in the middle where we can help out," Heutmaker said, saying his firm's rates are "probably a third of the [market] price" because of his business experience and low overhead.

The company has seven employees after making four hires this year and expects to have 10 by the end of 2014, Heutmaker said. With the added employees and growth outside the Twin Cities, Heutmaker Business Advisors is projecting revenue of \$470,000 this year, up from \$200,000 a year in recent years.



John Heutmaker, left, and Bo Nickoloff of Heutmaker Business Advisors in Edina.

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Heutmaker Business Advisors

Business: Offers outsourced controller/chief financial officer, accounting and bookkeeping, human resource and payroll services to small and midsize companies.

Founded: 2003

Headquarters: Edina

Website: www.heutmaker.com

Employees: Seven

Executives: John Heutmaker, managing partner; Bo Nickoloff, director of business development

2013 revenue: \$200,000; projecting \$470,000 in 2014

Strategy: Grow through referrals and by opening Minnesota offices outside the Twin Cities metro area and in neighboring states.

Clients range from start-ups to \$55 million in revenue and are in manufacturing, construction, distribution, finance, engineering and other industries, Heutmaker said.

Growing up in accounting

Heutmaker grew up in accounting, working at what is now the Boulay Group, where his father, the late Lee Heutmaker, was a founding partner. The younger Heutmaker then worked as controller at a number of private companies before honing his skills at a local consulting firm. "I was one of the few who knew what they were going to do when they were 10," he said.

Heutmaker Business Advisors has served as controller on a consulting, part-time basis for four years for Goff Public, a public relations and public affairs company in St. Paul.

"They serve as our outside experts, said Heidi Larson, chief financial officer at Goff Public. "We're a small business so it's important to have outside perspective and the proper checks and balances in place, and they provide that."

Jeff Holmes, general manager of the St. Croix Marina in Hudson, Wis., said Heutmaker Business Advisors serves as "a good second set of eyes to monitor all of our day-to-day activity." Heutmaker has done accounting, accounts payable and receivable and served as the marina's controller for nine years.

The expert says: Dileep Rao, Twin Cities-based founder of uEntrepreneurs.com and clinical professor of entrepreneurship at Florida International University, said getting good, timely financial statements is a key requirement for a successful venture.

"Entrepreneurs can make better decisions with these numbers, and Heutmaker and his associates can help them get this skill," Rao said. "They can use this skill to become more capital-efficient, become financially stronger, and grow more successful."

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