

Lutz's expansion of client base, services prompts move

by Richard D. Brown

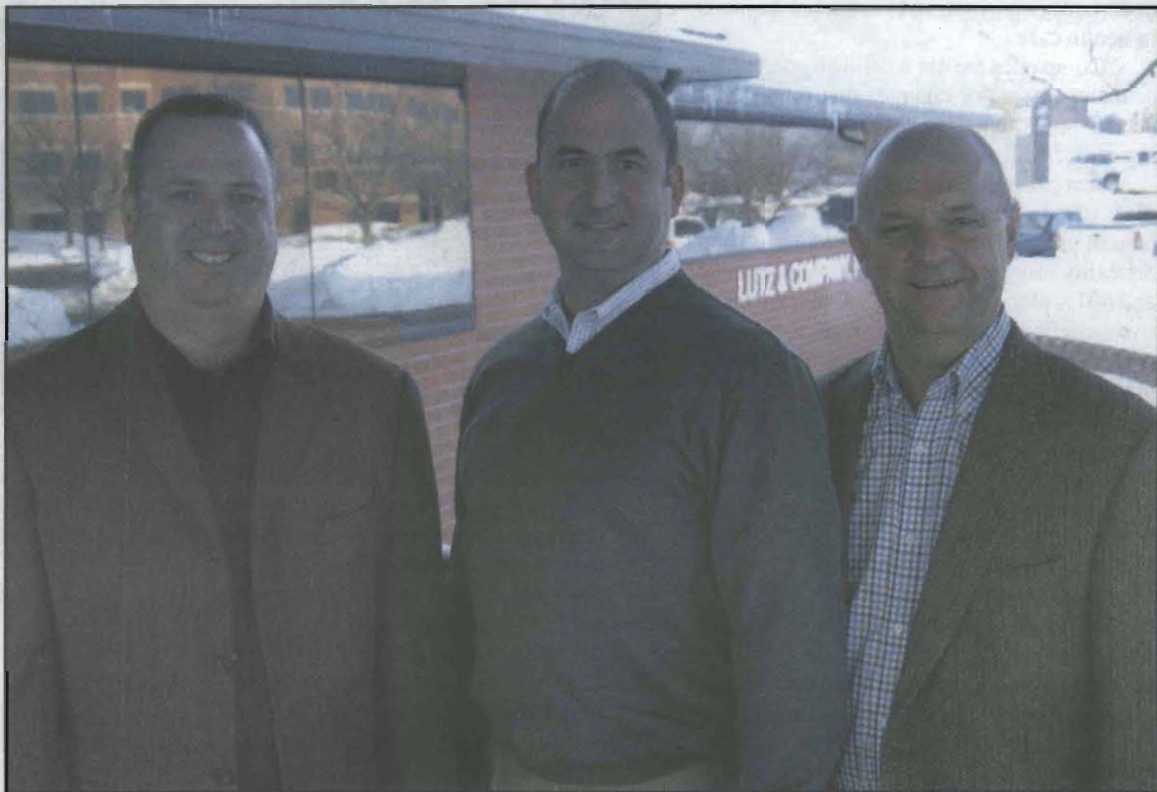
What started 30 years ago as a small southwest Omaha accounting firm has continually expanded its menu of services and client base to the point where Lutz & Co has grown to become one of the largest locally owned CPA and consulting companies in the state.

Lutz & Co., which has added 10 positions in the past three years and increased its overall client base by at least 1,000 during that same time, will be moving this summer into 30,000 square feet in the Nebraska Spine Center building at 13616 California St. The firm has been operating with a total of 26,000 square feet on multiple levels of a building at 11837 Miracle Hills Drive.

President and Managing Stockholder Gary K. Witt said the move is necessary to operate efficiently and provide optimum service to a client base that tops 6,000.

"All of our 120 employees will be together on the same floor," he said. "We've hired two information

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From left, Kevin Hansen, director of operations of Lutz Software Solutions, James Boulay of Lutz Financial, and President Gary Witt ... Moving to larger headquarters this summer to accommodate growth in clients, employees and services over the past three years. (Photo by MBJ / Jim Brazda)

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technology assistants as well as software programmers which need additional space."

Witt, a Columbus native and 1974 UNL business administration graduate, said his 22 years with Lutz & Co. have included not only great growth with accounting work, but also the introduction of related or complementary

at Lutz & Co. as entrepreneurial people very similar to the way the large national firms approach their clients," Witt said. "And as we've grown we've worked as a team to hire the best people to provide the best possible service to our clients."

As Lutz & Co. saw its reputation growing, Witt said several mid-sized business clients had needs beyond the typical tax preparation and analysis requests. While accounting and assurance services remain a large part of the revenues, as Lutz & Co. has expanded it has brought on employees with expertise in annual budgeting, internal accounting, tax planning, business valuation, structuring and informational technology.

"We found that many of our middle market clients didn't have the expertise on board that outside advisers such as our people could offer," Witt said. "By our people performing such functions as consultants, our client could plan for decisions and transactions rather than looking backwards at them."

Five years ago Lutz & Co. added a state and local taxation group to advise clients on issues such as tax credits and property tax regulations. A business valuation service which was started five years ago with one half-time person now is staffed by a group of six and offers Lutz & Co. one of its biggest growth avenues. Issues visited include succession planning, marital dissolution, merger/acquisition, estate planning, among others.

"Our clients range from small and middle size businesses that seek start-up advice as well as income tax returns prepared to publicly traded companies and everything between," Witt said.

At least 95 percent of Lutz & Co.'s clients are located within 50 miles of Omaha or many points in western Iowa.

Lutz Financial principal/managing member James P. Boulay, an Omaha native and 1989 accounting graduate of St. Thomas College, said the fast growth of the division that was founded in 2002 is due to its innovative approach to the funds market.

He oversees four professional and two support employees who serve about 280 clients with investment advice and financial planning.

"Efficient or structured investing is what we advocate," Boulay said. "When I was presented with this approach for the first time my head almost exploded. It's that compelling."

With financial affiliations with Charles Schwab and Dimensional Fund Advisors, Boulay said Lutz Financial's approach is heavily reliant on academics such as economists in engineering and maintaining invest-

ment products.

"Using academic research to support a way of managing funds isn't sexy and probably is pretty boring stuff, but we've found that it works," Boulay said. "I have the ability to articulate to my client when we are going to buy and sell through rebalancing."

This is a tremendous thing because it brings strategy and diligence to the process."

"With so much academic research going into the process, we've taken the emotional aspect out of it," he said. "The idea is to tilt the portfolio to small companies and value companies in order to increase the expected return."

Boulay said the tool Lutz Financial advocates is active investment management.

The core underlying belief is that financial markets are "efficient"—meaning prices reflect the knowledge and expectations of all investors. Investment returns, then, are determined principally by asset allocation.

"We distinguish ourselves by applying this philosophy to our entire range of investments," he said.

Lutz Financial manages about \$270 million in assets.

Boulay said his three newest hires — Tony Cerone, Justin Vossen and Steve Patterson — are going through client records and helping every client complete a cash-flow analysis.

Operations director Kevin Hansen of Lutz Software Solutions has also seen a growth in work-flow, data management and custom software development since the inception of the business in 2000.

Hansen, a native of Ida Grove, Iowa, studied marketing and information technol-

ogy at the University of Iowa before joining Lutz & Co. in 1998.

One of the largest software projects he has overseen is a program prepared by UNL's athletic department which enables the school to track donors. Twenty-six campuses across the country now use the technology.

Other programs written have included customized software that enables client feeders to more effectively manage operations and commercial plumbers to strategically schedule their workers. Value for an engineering firm client included project management functions such as tracking time-by-task accounting and other information vital to writing project proposals.

Lutz Creative Services, another division has two employees and specializes in web design, search engine optimization, logo design, print design, website portfolio and print portfolio work.

In 2005 Lutz Software solutions developed an in-house general helpdesk network management. The service has grown to more than 25 clients.

"It's been a fast growth area for us," Hansen said. "All the help desk work is done remotely on line."

He said the development of recent technology such as blackberries, smart phones among others, solidifies the beliefs of technology enthusiasts that reliance on mobile communication devices is crucial for businesses today.

In accessing the growth of Lutz & Co. Witt said the philosophy of 30 years ago is not been modified.

"You hire the right people and you do try to do anything half way," he said. "I started with a permanent stream of service that we could and did build on."

Lutz & Co.
 Address: 11837 Miracle Hills Drive, Suite 100, Omaha 68154-4418
 Phone: 496-8800
 Founded: 1980 by Ralph Lutz
 Owners: about 23 employees
 Service/product: innovative accounting and business solutions to help client firms access needed services under one roof.
 Employees: 120
 One-year goal: successfully complete move that will enable the business to have all employees located on one floor.
 Industry outlook: success will come to accounting and consulting firms that best provide services that enable entrepreneurial clients to hunker down and get through the rough economy.
 Web site: lutzcpa.com

services that include wealth management, software development, creative and consulting services in numerous industries. Long-time clients include Godfathers Inc., Charles Vrana & Son Construction, Standard Nutrition Co. and Hockens's Equipment & Supplies. "We haven't had any model of sorts for what we've grown this company and the expansion of services offered except we've tried to make every effort to provide the most innovative accounting and business solutions to help our clients as business owners and individuals succeed," Witt said. He said Lutz & Co. focuses on family "entrepreneurially-owned" middle market companies and their owners. Our growth was slow the first seven, eight or nine years but beginning in 1988 momentum took off," Witt said. "More than 25 percent of our hires over the years come to us with experience in a national market."

MBJ REPRINT ALERT

Editor's note: It has come to our attention that some out of state firms are being overly-aggressive in trying to sell reprints of stories published in the Midlands Business Journal. These companies are not affiliated with MBJ. To order a reprint of a story in the Midlands Business Journal, you may contact our office in Omaha at 330-1760.

Midlands Business Journal

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