

# SOLID FOUNDATION



MARK FREERKS

Richard Shavell, seen early this year at his company's future offices in Boca Raton, has a majority of clients in construction and real estate.

## Accountant builds on real estate niche

BY JIM FREER

### SHAVELL & CO.

**President:** Richard Shavell  
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**W**ith the higher costs of insurance, surety bonds and con-

struction supplies, contractors and builders need financial advisers who specialize in their industry now more than ever, accountant Richard Shavell says.

His firm, Boca Raton-based Shavell & Co., has focused on those businesses since it opened in 2002. While running his firm, Shavell has been an advisor on tax issues for the Arlington, Va.-based Associated Builders and Contractors (ABC).

As this year's chairman of the trade group's National Tax Advisory Group, he has testified at Washington, D.C., hearings held by congressional committees and the Internal Revenue Service.

"We are advocates for the industry," Shavell said of his eight-employee firm, which he maintains is an example of how businesses can establish a niche and increase revenue by "building on core capabilities" and "understanding limitations."

"South Florida has a large and growing number of contractors and builders in that size range," he said. "As those companies grow, they need more than just basic tax and

advisory services. They are looking for someone to help them understand the financial changes in their industry."

North American Development, a Boynton Beach-based subcontractor, is among clients for which Shavell & Co. calculates revenue, spending, amortization, depreciation and tax deductions for each project and the entire business.

"We cannot afford to hire a CFO, but Rich does that work for us," said Barry Fiske, owner of North American Development.

### Annual revenue growth

Shavell & Co. has expanded from its original 30 clients to about 275, with the majority in construction and other real estate businesses. Most of the firm's developer and contractor clients have annual sales of less than \$20 million. Shavell & Co. also has manufacturers and distributors among its clients.

Shavell declined to disclose revenue or profit figures, but said his firm has been profitable since its first year and has kept to its target of growing revenue between 20 percent and 27 percent annually.

"We try not to grow faster, because there is only so much you can control," he said. "In our industry, there also is a limitation in finding people who are prepared to do

the work our way and who understand our clients."

Shavell, a graduate of Drexel University in Philadelphia, began working with real estate clients when he joined the Philadelphia office of accounting firm Arthur Young in 1983. Later that decade, he became a partner in Philadelphia firm Zelenkofske Axelrod, where he advised clients on arranging real estate syndications and advised contractors on tax issues.

After he moved to South Florida and opened his firm, he found the region had a large number of small and mid-size construction companies facing a growing number of tax and financial issues. Problems included the rising cost and reduced availability of surety bonds, in which insurance companies agree to provide a payment to the developer if a contractor does not complete work on a project.

Shavell said his firm uses its contacts in the bonding industry to help clients obtain coverage, while he advises them on preparing financial statements that bonding companies require. The firm also holds seminars for contractors several times a year on surety bonds and other financial and tax issues relevant to their business.

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