

Entrepreneur Stories – Greenback Expat Tax Services

Posted by [Brandt Smith](#) in [entrepreneur stories](#), [Entrepreneurship](#)

David McKeegan and Carrie McKeegan are entrepreneurs running a business that specializes in tax preparation for Americans living abroad, [Greenback Expat Tax Services](#). They are Americans who have been living abroad since 2002:



- first in Barcelona as international MBA students
- London in the world of marketing and finance at big banking institutions
- Rio De Janeiro
- Bali.

Why did you start your own business?

For us, the draw to start our own business was always present, but it wasn't until we realized the total lack of expert, high quality US expat tax preparation that we took the plunge to pursue starting our own business. There are 5 million Americans living abroad and the vast majority of them are required to file a US [tax return](#). And yet, shockingly, our experience living abroad was that finding a qualified accountant to help stay compliant was almost impossible. So, we decided to do something about it.

We started our business late 2008 and launched early 2009. Our business model is simple: we attract best in class US CPAs and Enrolled Agents who have considerable experience with US expat tax preparation and who also have a customer-friendly approach and the ability to explain taxes in a way that people can understand. We also set up systems to make sure sharing data is secure and easy for customers all over the world, and developed tax data sharing tools that are easy for non-accountants (i.e. our customers) to use to be able to provide us with information.

Can you tell us about some of your lucky breaks?

We've been lucky in a few ways. First, the IRS has put in a huge focus on overseas tax evaders, and tracking foreign bank accounts, so the awareness among Americans overseas about the importance of filing your US expat taxes correctly has been increasing year over year. So a business like ours is really important and top of mind for many Americans who want to make sure their taxes are done correctly, first time around. Second, we've been fortunate to find some fabulous accountants, who are the lifeblood of our business. We offer them the flexibility to work from wherever they want (Americans abroad are scattered and web savvy so offices would be a waste), and focus on what they love (taxes, not marketing, logistics, billing), so we've had the good fortune of being able to attract and retain a highly talented team.

What makes your business unique?

The particular market segment and business model is obviously an interesting one- we're a unique and much needed service in the market. Because Dave and I are entrepreneurs and expats as opposed to accountants (Dave is an enrolled agent, but we leave the tax preparation to the team), we have the ability

to step back from the detail and focus on what the customer wants and needs, which few entrepreneurs honestly have the ability to do (usually entrepreneurs wear two hats – the doers and the business managers).

What were the obstacles to starting your business?

I actually believe that the most common challenge new entrepreneurs face is simply the mental obstacle (i.e. where do you start? How do you find the time? How do you find the money?). Of course, there are also the more nagging ones (I can't do this! I will fail!). Dave and I were both extremely motivated to start this business, yet still struggled at times with finding the time, energy and perseverance to get the business off the ground. In order to combat the natural inertia that can ensue with something so daunting as starting a new business, we gave ourselves really clear deadlines, milestones and planned the whole project start to finish when we decided to go for it. We didn't cut ourselves any slack. Our whole apartment in London was scattered with project plans and big notices on the walls with milestone reminders. Once you set commitments like that to yourself, it really gets you motivated to launch on time, accomplish certain hurdles, etc. We told ourselves that the business didn't have to be perfect- we just had to get something out there and then refine later. Of course, since we're both perfectionists, we wanted it perfect from the start, so it meant a lot of long weekends without the usual Sunday pub lunch and late nights.

The second biggest challenge we faced was in learning how to market and run a purely internet based business. Although both of us have MBAs, and finance and marketing backgrounds that involved an element of internet marketing, we were at the level in our respective organizations where we had teams that did the execution so didn't have hands on experience with internet marketing techniques. However, when you are starting your own business and bootstrapping the operation, it requires you to be CEO and chief bottle washer all at once. That meant learning about how to build websites, run a Google Adwords account, develop banner ads, launch an email campaign, etc.... Even though the business is now three years old, we're still in learning mode. That seems to be both a blessing and a curse of being an entrepreneur – you always need to keep learning!

The final significant challenge we had was in finding good suppliers. In the context of a large business, your supplier base has already been vetted by a procurement team and often other colleagues by the time you even meet the supplier. We had a real challenge trying to find reasonably priced web developers, graphic designers, etc. that were high quality, reliable, honest, etc. When you start out, it takes some time to build up that network of trusted resources and for us, meant quite a few disappointments.

How did you find suppliers/services you needed to get started?

Given the nature of the business, the most important team members we needed to get on board were our accountants. We posted job descriptions and vetted the accountants really thoroughly. We check references extremely carefully and have our existing accountants interview (for technical skills related to US expat taxes) and then mentor new accountants so that we really know them inside and out before they even start working with customers. We also have really stringent hiring criteria- do tons of first interviews for only a handful of second interviews, and even smaller number of actual hires.

As I mentioned above, we had a real challenge finding good suppliers to help us with things like web development and other technical work. Part of that is that we started with no experience in this area, so had to build that network through lots of "misses" for every "hit." We've become really adept at using freelance job boards- our favorite is Elance. Elance has lots of highly skilled labor- you aren't going to find

as cheap a talent pool as some of the other job boards but often doing a project once for a little more money beats doing it three times on the cheap! We usually only use contractors with lots of work history and written comments from other hiring managers. We keep a tight rein on suppliers and make sure that if something isn't working out, there is no delay to ending the relationship.

How did you finance your start up?

Since we started the business while we still had full time jobs we financed the business out of our salaried earnings. We did our best to keep expenses as low as possible and we tried to build the business model upfront to be as cash flow positive as possible. We felt really strongly that we did not want to try to get funding or take out loans, so that meant we had to limit our marketing spend at first and rely more on word of mouth, and a few select channels. We maintain really tight control on our finances and make sure that every dollar we spend either adds value to our existing customers or recruits additional ones.

Is this a full time business or a supplemental income?

Greenback started as supplemental income (actually supplemental expense!), but is now our full time business! Dave left his job first, I followed about a year later, and now we live in Sanur, Bali running the business.

What advise would you give others?

A couple of things:

- Start something – you can always amend it later, but getting it started in the first place is the hardest bit so before you psyche yourself out jump in and do it!
- Remember you are not alone – there are many, many people doing similar things and there are lots of ways to get in touch with these folks. There are lots of great podcasts, videos, blogs that can help you learn from others that are facing or have faced similar challenges (our personal favorite is the Lifestyle Business Podcast). Its really important to have other entrepreneurs to talk to and bounce ideas off of.
- Build in your own rewards – the things that are going to keep you motivated and enthusiastic about your business. As an entrepreneur, resilience is really important you will have long days and nights, frustrations, setbacks. But you have to make sure to pick yourself back up each day and keep plugging away, You will need to learn to motivate yourself.
- Learn how to manage people and execute your ideas through a team rather than just on your own – so many entrepreneurs we meet love running their own business but struggle with letting go. You need to. Once your business gets to reach a certain scale, it will be critical for you to stay focused on strategy and have others help you execute. Otherwise, you could wind up working yourself into a job and getting so caught up in the day to day that your business stagnates.

What organizations do you belong to?

We haven't always been great about reaching out to other entrepreneurs/joining organizations, and it's only been this year that we've really prioritized this. We have joined the Dynamite Circle, which is an awesome master mind group – I highly recommend it. It is really nice being able to talk with other guys running location independent businesses and share advice and learning with each other.

How has your lifestyle changed from being an employee to becoming a business owner?

Wow! It has totally changed! We went from living in London and commuting on the Tube everyday to living in Bali and working from our home office. There are some positive points as well as some negative points. On the positive side:

- We live in a cute little beach town and get to walk on the beach side paths almost everyday
- We have help around the house, our son is in a great pre-school and we get to eat out all the time (Bali is very inexpensive relative to Europe or the US)
- We get to spend tons more time with our son then we would have had we not chosen this lifestyle
- We really feel that we are in control of our futures,

On the negative side:

- We definitely work more hours then we used to (although this is because we are growing very quickly, which is great),
- This is our first full year relying on the business for our full income so that can be stressful at times, but we are getting used to it,

We live further away from home now so we are visiting our friends and families less than we did when we lived in the UK

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