



ESS AccountantsMinute

Welcome to Accountants Minute. I'm Peter Towers, Managing Director of ESS BIZTOOLS.

Accountants' Challenge – Generate 40% of Revenue from Business Advisory Services

When most accountants commence work, systems have already been implemented for taxation returns, annual accounts, audits, insolvency for some firms and superannuation funds.

In the same way, the systems, probably better known as "foundations", need to be implemented for business advisory services as the "foundations" that have already been implemented for those other services.

The foundations include understanding where the accountancy industry is at present and where it's likely to go in the next 3-5 years.

The December 2015 edition of the "Accounting Market Pulse", commissioned by the Commonwealth Bank, identified that, for "other firms" (the category to which most of the accountancy firms supplying the small/medium enterprise market in Australia relate), the generation of non-accounting services for the last financial year was:

- more than 10% of the income achieved by 12% of those firms
- 5%-10% of their income from non-accounting services related to 24% of those firms
- less than 5% of their fees from non-accounting services from 64% of those firms

This gives you an idea of the magnitude of the challenge facing accountants.

These figures support the concept that the development of the firm foundations for business advisory services is very necessary, if you believe that, in 3-4 years' time, your firm might be able to generate 40% of its revenue from business advisory services. I truly believe that accountancy business are going to have to set these types of targets to sustain the standard of business as what you currently have because there are a lot of changes that are occurring in the marketplace.

The key foundation work involves input from partners and team members who want to be involved in this work. What can individuals bring to this process?

Another very important group to get an indication as to what they want is your clients. What types of services would they like your firm to be introducing?

You will then need to undertake team training. One of the key aspects is the development of "product champions" and "industry champions". Some leadership training is very valuable for the team members – your younger accountants – who are going to be involved in delivering a wider range of professional services.

The services that you're going to offer to your clients can be enhanced in the discussion phase by the utilisation of an SME needs' analysis, which will help your clients to "zero in" on the services that they would like to receive.

Development of a marketing strategy is going to be very important because many of your clients don't know that you can provide services other than tax returns. Whilst surveys undertaken have indicated that small/medium enterprises were looking for a wider range of commercial services, there's no guarantee that those small/medium enterprises are automatically going to turn to their current accountants, unless you've clearly identified to them that you're able to supply those services. This will mean that you have to generate marketing collateral, whether it's social media, articles on your websites, seminars, webinars, news alerts, etc, to reach your clients on, at least, 10 occasions if they're going to clearly register that your firm is able to supply these services.

What products or services do you want to supply to your clients and what products and services your team are going to be capable of delivering?

You need to then promote to your clients that you're able to respond to the surveys. Announcing your new range of services could be done by presenting a number of small seminars, inviting key clients.

Selling is also going to be a necessary attribute in this new world for accountants. Many of you will say "What!? Sell?" Professional selling is going to be very important and accountants are going to need to be trained in professional selling skills because there's no automatic compulsion from your clients to come to you for a wider range of services as there is for the preparation of tax returns.

One-on-one meetings are going to be a very important part of the follow-up process. To invite these key clients to a seminar, you then need to have a one-on-one conversation with them, to encourage your clients to identify to you the types of additional services they would like to receive.

ESS BIZTOOLS has developed a training package, which will assist accountancy businesses to lay the foundations, to develop an outstanding business advisory services range of products, to assist in achieving the target (if that's what you've set) of around 40% of your fees being generated from business advisory services in 3-4 years' time.

To assist you in this process of understanding the types of products and services that are included in the ESS BIZTOOLS' Business Advisory Services Introduction Package, a complimentary article, **"Implementation Process Road Map to Success"**, is attached with this transcript. This "road map" summarises the 11 modules in the Business Advisory Services Introduction Package.

ESS BIZTOOLS is presenting a special webinar on Friday 11th March 2016 at 11am AEST (12pm AEDT), featuring **"Starting in Business Advisory Services"**. You're invited to register to attend this webinar, free of charge, which will give you a great introduction as to why business advisory services is a package of products that you should really consider introducing to your accountancy business in 2016. [Click here](#) to register to attend.

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