



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

Assisting clients to plan for success

To be successful, accountants offering a broader range of services have to be part of the "client's team".

In the first instance, you will need to:

Study your Client's Business and Industry

For items such as:

- The strengths, weaknesses, opportunities and threats (SWOT) relating to this business and to the industry.
- What's your client's unique competitive advantage?
- Who are the customers?
- Who are the competitors?

Intellectual Property

- What Intellectual Property (IP) has the business developed?
- Has the IP been appropriately documented and protected through confidentiality agreements?
- Have patents been applied for if appropriate?
- Have trade secrets been documented?

Team

- Is there any specific training that the team needs?
- Could your accountancy business offer any of the training requirements, such as:
 - Understanding financial accounts
 - Key Performance Indicators – what do they mean?
 - How do you calculate ratio analysis and use them in a business?
 - What are the characteristics of a well-run business and how do they adapt to this particular client?
 - What Corporate Governance issues are confronting this business?

Government Grants

- You could review government grants.
- Are you advising your clients on grants that are available for their type of business, in particular, grants relating to skills development through Industry Skills Fund?

Planning

- Business Plans
- Budgets and Cashflow Forecasts
- Action Plans
- Succession Plans

Corporate Governance

- What are the Corporate Governance standards required for this business?
- Regular Board of Directors or management committee meetings?
- Board reports being prepared for submission to the Board of Directors meeting by the key management personnel (General Manager, CEO, Sales Manager, Production Manager, Marketing Manager and your accountancy business, hopefully as the CFO)
- Minutes of Board of Directors meetings – are they being prepared and distributed promptly after the meeting and do the minutes contain a list of action items?

Financing

- Does the client need some assistance on arrangements with their bank?
- Is the business considering being able to raise some capital? If so, what's the state of investment readiness?
- Could the business avail itself of the new rules for crowd funding equity raising, innovation company equity raising or could it rely on Section 708 of the Corporations Code to raise capital or the Offer Information Statement methodology of raising capital?

Vision

- What's your client's vision? Is it documented?
- Does the client need a 3-year strategic plan to assist in achieving or being assured that they're on track to achieve their stated vision?

Change Management

- Is your client adapting to changes in technology, customer requirements, team requirements, location, premises and product evolution?
- How can you assist your client to successfully change their business operations as required?

For many accountants, a significant change that will affect you is that your clients require greater input from you. Small/medium enterprises require a "total financial service", not just tax.

The "Accounting Market Pulse" report, prepared for the Commonwealth Bank of Australia in December 2015, indicated that 64% of accountants earn less than 5% of their income from non-accounting services and 24% earned between 5-10% of their income from non-accounting services.

This means that 88% earned less than 10% of their income from services other than taxation, even though, for the last 15 years, small/medium enterprises have been indicating in survey after survey that they would like to receive additional services from their accountants. If their accountants are not prepared to supply those services, eventually, many of those clients will find those services from some other supplier. It could be another accountant or a business coach or consultancy business.

This is where a significant change is going to occur for accountants.

The question is: do you meet the challenge and make the changes so that the services nominated by small/medium enterprises can be provided or do you ignore the requirements of your clients?

ESS BIZTOOLS supplies a wide range of services to assist accountants to be able to deliver an outstanding range of services, to assist your clients to meet the changed circumstances that now prevail in the marketplace.

ESS BIZTOOLS has prepared an article, "Characteristics of a Well Run Business", which looks further at the concept mentioned in this edition. This article is available as complimentary material and is attached with this transcript.

ESS BIZTOOLS is presenting a special webinar on Wednesday 6th March 2016 at 12PM AEST, featuring **"Assisting Clients to Plan for Success"**. 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.

I look forward to having further discussion with you in future weeks as part of the ongoing productions of appropriate material, to assist accountants to add value to your clients' businesses.

Peter Towers

MANAGING DIRECTOR – ESS BIZTOOLS PTY LTD

+61 7 4724 1118 | 1800 232 088

peter@essbiztools.com.au

www.essbiztools.com.au | www.essbizgrants.com.au