

ADDING VALUE TO CLIENTS' BUSINESSES

A. Where are you now?

- What type of services do your clients want?
- What type of firm do you want your firm to look like over the next five years?
- What are your firm's points of difference?
- Who are your clients?:
 - Industries?
 - Size?
 - How many employ an accountant/CFO?
 - How many export?
 - How many undertake research and development?
 - How many apply for grants?
 - Do you know more than the "Profit and Loss Account"?
- Is your firm "disturbing" the market?
- Do you "educate" your clients on the services that your firm can offer?
- Are you confident that your firm will be able to deliver the type of products/services that:
 - meet your clients/prospects' requirements?
 - meet your team's requirements (will your team be performing "real accounting work"?)
 - meet your firm's vision?

B. Challenges for Accountants/Advisors

There are many challenges confronting accountants/advisors, including:

- digital disruption
- standard business reporting requirements of the ATO
- outsourcing
- SMEs market expectations
- competition

How accountants/advisors respond to these challenges will have a significant impact on your business for the next five to ten years.

In the Deloitte report "Digital Disruption - short fuse, big bang" Deloitte recommended that accountants/advisors should establish "new revenue streams".

One of the potential revenue streams is "business advisory services". There are enough accountants/advisors around Australia responding to "business advisory services" for firms that are not responding to be put on notice that accountants/advisors, offering business advisory services, are going to attempt to grow their businesses by offering a range of non-compliance services into their market. We accept that every accountancy business will make their own decision based on their own particular circumstances.

We have been working with enough firms to know that there is genuine interest in offering business advisory services and, whilst significant numbers of small/medium enterprises want "business advisory services" type products provided to them, they have to be marketed to by accountants, particularly their current accountant to be convinced that their accountant can deliver real contributions to their business' performance and that it is just not a "tax service" being delivered under another name.



In December 2015, Accounting Market Pulse produced for the Commonwealth Bank forecast that 2016/17 will be a key year for business advisory services.

Other business consulting firms are also positioning themselves to offer a broader range of commercial services - many of these firms are amazed that accountants have not clearly claimed this work as being "for accountants".

In this period when ASIC and the ATO are imposing rules on who can do what, there are no rules who can offer business advisory services. This can create a significant advantage for consulting firms that are not accountants.

C. Assistance is Available

The ESS BIZTOOLS' product range has been produced by a team with significant experience in all aspects of accounting, including:

- Chief Financial Officer and Company Secretary of a Listed Public Company
- Principal in an accounting business
- Business Consultant
- Business Advisor to a major government grants program
- Team members with considerable experience in accounting, taxation, legal, IT, social media and CRMs

Our product range includes:

- 18 individual product packages ready for use including our newest product package
- Early Stage Innovation Company, as well as Personal Property Securities Register Due Diligence
- Debtors Management
- Virtual Chief Financial Officer Service
- Succession Planning
- Buying a Business
- Selling a Business
- Business Planning and others.
- Ready to use Seminars/Webinars
- Mentoring and Coaching Modules
- Government Grants Identification Product
- Monthly Newsletter for you to Badge and Send to your Clients
- Articles and Powerpoint slides on Numerous Issues Confronting Small/Medium Enterprises
- A special package to introduce your team and new members to the concept of delivering business advisory services.

ESS BIZTOOLS commissioned an independent analysis of the business advisory services suppliers.

This review was prepared by Wendy Gleeson from Renew Group and identified the key products that ESS BIZTOOLS/ESS BIZGRANTS were virtually the only supplier for:

- Identifying Grants for Small Businesses
- Debtors' Management System
- SME debtors System Manual
- Virtual Chief Financial Officer Services
- Personal Property Securities Register - Due Diligence System
- Early Stage Innovation Company
- Corporate Governance
- Exporting
- Dealing with Banks
- Family Businesses
- Getting Investment Ready

In the next five years, we plan to develop, at least, three new product packages each year.



In 2016/17 we will be developing:

- Research & Development Strategies
- Investment Readiness
- Crowd Funding Equity Raising

D. Business Advisory Services - a Key Product

The benefit to your firm is that we are committed to maintaining our products and updating our systems with fresh material to assist you to add value to your clients.

At the beginning I asked you to think about the vision that you have for your firm over the next five years. Do you need to make any changes to meet the requirements of:

- your clients?
- your team?
- your firm's Strategic Plan?

Have you identified:

- Product Champions?
- Industry Champions?

Has your team been trained in leadership strategies?

Have you implemented a marketing strategy?

Have you used the SME Needs' Analysis with your clients to identify services that your clients would like to be undertaken?

Have you introduced business advisory services with a series of seminars?

Have your team had some professional sales training?

Do you have one-on-one meetings with clients to discuss their future aspirations other than taxation?

Do you understand your clients' business aspirations?

Have you introduced your clients to improved marketing/sales concepts?

What is your team's income matrix for 2016/17?

<u>Service</u>	<u>Sales Price</u>	<u>Number of Clients</u>	<u>Projected Sales Value</u>
Virtual CFO Services			
Early Stage Innovation Company			
Budgets			
Cashflow Forecasts			
Business Plans			
Information Memorandums			
Investment Pitch Mentoring/Training			
Personal Property Securities Register Due Diligence			
Debtors Management			
SME Debtors Manual			
Succession Planning			
Finance Director			
Buying a Business			
Selling a Business			
Business Health Checks			
Corporate Governance Mentoring			



If you do need to make changes, the team at ESS BIZTOOLS is happy to work with you to assist you to achieve your vision.

E. Use "Disruption" to Benefit Your Clients, Team and Firm

My experience at various levels of accounting has convinced me that accountancy businesses need to innovate to provide the services that clients want.

Jason Bender, a Partner of Deloitte, said at the ATSA Conference in 2014, "digital disruption was going to have a significant impact on the accountancy profession". He indicated that "disruption" doesn't mean revenue has gone, however there would be a need for accountancy businesses to develop strategies on how to respond to changing market conditions.

In his presentation, Jason Bender reminded the accountancy profession of what had happened to Kodak when (even though they had a patent on a new technology) they shelved that project until a later time and subsequently found out that was too late, because they went broke.

Bender also spoke about the challenges facing accountants and finished with "If accountants are not careful, the profession could really suffer". He then said "don't let this happen on our watch". He said "these changes can creep up on you; it's the same as the "rear vision mirror" of your car, it doesn't show you how close the vehicle behind you is to your car". "The market forces that are going to require change strategies within accountancy businesses are a lot closer than what they appear to be".

The ESS BIZTOOLS team is happy to work with your team to assist in developing products and services which will assist you to add value to your SME clients.

Thank you for the opportunity of making this presentation.

