

**Accountants, There Are Plenty of**

**Challenges in 2017/18**

Hello, I’m Peter Towers, Managing Director of ESS BIZTOOLS and ESS BASIP. Welcome to Accountants Minute.

Accountants, there are plenty of challenges in 2017/18 and you probably don’t need me to tell you that.

Firstly however, happy new financial year! I trust that 2017/18 will be a great year for your accountancy business, everyone who works in your firm and all your clients.

Let’s look at some of the challenges that are confronting the accountancy industry at present in Australia.

* First of all is the decision on the services to be provided for your clients. Obviously, firms need to decide what those services will be; whether they are financial planning, superannuation fund administration, superannuation fund audits, bookkeeping (yes, some firms are reintroducing bookkeeping services), business advisory services or taxation and annual accounts.
* What services do your clients want? Have you sat down and had a discussion with your clients and explained to them the wider range of services that you could provide to them, beyond taxation? You could use the document, which we have produced, the ESS Needs’ Analysis which will help you to have that conversation with your clients, so you can obtain feedback as to the services that they would like to receive from you. Bearing in mind that in numerous surveys over the last 15 years, the small/medium enterprise community has continually indicated that they require a broader range of services to be made available to them by accountants.
* What about your team? What are their expectations in 2017/18? Are they happy to continue with the type of work and the type of services that you have traditionally provided? Or are they looking for a wider range of services; some “real accounting work”, to help your firm’s clients.
* What are other people saying about the accountancy profession and not just commentary about the current problems confronting CPA Australia?

Many firms continue to look for opportunities by creating new income streams, such as management consulting and business advisory to counteract the decline in revenue and margins from traditional accounting services such as annual accounts, taxation and auditing. This was a direct quote from Accountants Market Pulse – April edition.

Accountants Market Pulse went on to say that the fastest growing service line is “business advisory services”.

“Advisory work is increasing” said Andrew Birch a General Manager of MYOB in an Accountants Daily publication in December 2016.

* Business advisory services that are likely to be in high demand in 2017/18 include Crowd-Sourced Funding Equity Raising because, for the first time, Australian companies; Australian small/medium enterprises of any age in any industry, are going to have the opportunity of raising equity capital of up to $5M every twelve months. This is a fantastic opportunity for those companies and for accountants because those companies are all going to need assistance with the documentation that is going to have to be produced if they’re going to be able to successfully raise capital.

Early Stage Innovation Companies have been available to assist young companies, under 3 years, but in some cases, up to 6 years old in certain circumstances, that have developed new products, processes or services to raise capital. They have been able to do this since July 2016.

I think there is going to be far more attention to an Early Stage Innovation Companies from now on, especially because Crowd-Sourced Funding is now available, because they were originally meant to be “stable mates” as new programmes, but unfortunately in the deliberation in parliament in Canberra, they got separated. Now they’re both available again and I suspect that many companies are going to realise that they have a great opportunity to raise capital because of the significant incentives that are available to investors.

Investors can obtain a tax rebate, based on their original investment in a company that is deemed to be an Early Stage Innovation Company and those same investors on that original investment sum can legally avoid capital gains tax if they hold those shares for longer than 12 months and less than 10 years.

* To assist you in your deliberations as to what services you should provide, I’d also suggest business plans, budgets and cashflow forecasts, company valuations, corporate governance reviews (corporate governance is going to be a very special issue for directors of smaller companies to understand their legal responsibilities and their responsibilities to their shareholders on those companies). They are going to need assistance from someone and that someone, I believe, should be you (their accountants) to provide those services.
* To celebrate the start of a new financial year, ESS BIZTOOLS is offering a 25% discount on the ESS BIZTOOLS’ Gold Package, which will be available until the end of July 2017. The new price is **$2,227.50 (including GST)** and this will give you a twelve month, 24/7 access per office to that package.

This will give you a suite of tools to assist in the main products that the small/medium enterprise market is looking for. We would welcome your enquiries. To subscribe, please ([click here](http://www.essbiztools.com.au/index.php?option=com_payplans&view=plan&task=login&plan_id=3&Itemid=310bb028f6a)).

* We’re presenting a special webinar on **Wednesday 12th July 2017 at 12.30pm** (AEST) – **“Delivering** Value **Adding Services in 2017/18”.** Please [click here](https://register.gotowebinar.com/register/4344325856104977922) to register to participate in this webinar. This webinar will explore the tremendous opportunities available to deliver services to your SME clients which, many of them, are anxious to receive from someone and, we believe that “someone” should be you... their accountant.

There is also an article available for you titled “How to Earn Fees from ESS BIZTOOLS” which will give you a far better idea of the new income streams that are available from business advisory services. (Click here)

Once again, happy new financial year! I sincerely trust that this will be a very successful year for you, your team and your clients.

If you have any questions on any aspect of the products that ESS BIZTOOLS/ESS BASIP have available to assist accountants in implementing the “new revenue streams” available from business advisory services, please do not hesitate to contact us.

If you have any question about any aspect of the services provided by ESS BIZTOOLS, ESS BASIP and ESS BIZGRANTS, please do not hesitate to contact us

[www.essbiztools.com.au](http://www.essbiztools.com.au)

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Have a wonderful day.

Peter Towers

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