

# NEW ACCOUNTANCY

9 tips to become the strategic accountant your clients  
are looking for (even if they don't know it yet)

## TABLE OF CONTENTS

### 1 TECHNOLOGY

Tip 1: Automate tasks

Tip 2: Standardise processes

Tip 3: Share responsibility

### 2 DATA

Tip 4: Monitor continuously

Tip 5: Access the right data

Tip 6: Translate information into insight

### 3 ORGANISATION

Tip 7: The right people

Tip 8: The right capabilities

Tip 9: The right knowledge

### 4 Conclusion

# INTRODUCTION



The accountancy world is evolving and don't we know it. You can't miss the articles, blogs and books about the latest trends. And you've probably seen the impact of these changes at first hand in your own practice.

But just in case... a quick recap. The latest technologies have transformed financial accounting into a commodity. All sorts of off-the-shelf financial tools now automatically take care of data entry. That saves you from many of the more mind-numbing menial tasks. Yet it also means you have to deliver your services to clients in new and different ways.

## New Accountancy

In an ever more digital world, competition has intensified and so has the pressure on revenues. At the same time, new opportunities are being created for new, more profitable (and more stimulating) services. Clients are looking for the kind of support, advice and insight that adds value to their business. More than an accountant, they want a proactive strategic partner who can help them grow.

Relationships are the key. The more you know about your clients, the more insight you'll gain into their businesses. Pay them a visit, follow their news via social media, attend relevant industry events. Get to know them and their business needs. Then develop the high profile, high margin services that meet them. That is how you benefit from New Accountancy.

## Learn how to put the theory into practice

And so business analysts and industry leaders continue to wax lyrical about an evolving landscape, not to mention the need to adapt to it. Which all makes sense in theory. But as we all know, putting that those ideas into practice is another matter altogether.

What a happy coincidence it is, therefore, that this QuickGuide will help you do just that. Crammed full of realistic advice, it takes you through the steps required to achieve operational excellence and pave the way to what those in the know refer to as client intimacy. (And you can leave the funny comments right there, thanks.)

## 1

# TECHNOLOGY

## CREATE THE TIME YOU NEED



Reinvent yourself? Offer new services? More than likely, you don't have a second to spare as it is. So where on earth are you going to find the time to evolve into a sought-after strategic superhero?

Well here's the clever part. You don't have to cut out eating or sleeping. It's just a matter of freeing yourself from all those pesky time-consuming tasks that get in the way. And here's how...



## TIP 1

# AUTOMATE TASKS

First of all, you can cut the manual work down to the absolute minimum with cloud accountancy software.

Scan and recognise capability, for example, will process up to 300 invoices an hour. Not bad compared to the average of 40 the average experienced bookkeeper can get through by hand.

Connecting the software to a client's bank will automatically import statements to save you the bother.

Working with general ledger templates, meanwhile, enables you to set up a new administration in an instant.

And we're not finished yet. Integrated CRM provides a 360-degree overview of every client's business at a glance. So you can effortlessly monitor performance against objectives and, if required, provide the necessary steer that puts them back on track. Result? Hero.

Then there are the document management tools that provide a permanent annual folder in one central place containing all relevant documents, emails, returns etc.

As for your own business, online software offers accurate and realtime time registration and billing. That delivers insight into your productivity and billability and helps you to maximise efficiency.

## TIP 2

## STANDARDISE PROCESSES

Using the same general ledger accounts for all your clients makes it even more efficient to set up and manage accounts.

The same consistent approach across every client minimises the variations and exceptions that slow down your day. It reduces the time it takes to get new employees up to speed. And it generally makes your day-to-day work more manageable and transparent.

Whilst we're on the the subject of setting up accounts, make sure you've thought through the kind of information you'll need to support a more advisory role.

**TIP** Consider things like the structure of documents, how you'll actually work more closely with clients, the roles and rights of users, and the setup of your internal workflows.

### DID YOU KNOW?

Only 32% of accountancy practices use a single integrated system for back-office admin.

Source: Exact 2015 SME Cloud Barometer



## TIP 3

## SHARE RESPONSIBILITY

Why do all the work yourself? If your clients start taking responsibility for certain accounting tasks, it not only takes a range of manual work off your hands. It also keeps them on top of their own financial situation.

Cloud accounting software offers the client portals that allow you to divide and conquer, backed up by robust validation and approval processes. After all, you need to keep an eagle eye on things.

Providing clients with the capability to enter data in a structured and consistent manner frees up the time you need to focus on more premium – and more profitable – services.

They gain more control and cost-efficiency. You upsell to a more lucrative business model. The words win-win spring to mind.

**Smart tools save time**

- ✓ Automated data entry (via scan & recognise)
- ✓ Automated bank feeds
- ✓ Template management
- ✓ Entry templates

**Standardisation frees you up**

- ✓ G/L (General ledger) accounts
- ✓ G/L classifications
- ✓ G/L templates
- ✓ Settings
- ✓ Invoice layouts



## MINI STORY

### Have you considered subscription billing?

Today's SME is looking for quality, affordability and efficiency. Today's accountant, meanwhile, is finding it difficult to stand out from the competition, with traditional services becoming increasingly commoditised.

That's why subscription billing is such a win-win, offering standardised products for a fixed monthly fee. But you have to get it right. You'll need a relentless focus on efficiency to maintain margins, constantly monitoring the amount of time and effort you spend on every single client. Overdo it and it's your loss.

Online accountancy software helps you to protect your profit. Real time dashboards display all the data you need at a glance. Reports into any and every aspect of a client's business can be created in a click. And we've already seen the extent to which manual tasks are automatically taken care of. It all means you get to spend most of your time reviewing information instead of trying to find it.

## 2

## DATA

TRANSFORM CLIENT DATA INTO  
VALUABLE BUSINESS INSIGHT



As if by magic you've managed to find the time you never knew you had. The development of premium advisory services is no longer just pie in the sky. So it's time to move onto stage 2: gaining access to relevant data, then turning it into the insight that adds value and sets you apart. Easy.



## TIP 4

## MONITOR CONTINUOUSLY

No, we don't expect you to spend all your valuable time staring at a flashing screen. Why would you, when the cunningly named continuous monitoring software does it for you?

Continuous monitoring software keeps you on top of every client's business performance. It allows you to analyse data efficiently and improve the reliability and quality of your service. All you have to do is specify the client's individual KPIs and hey presto. Data on demand.

Automatic alerts will even warn you when targets look like they're about to be missed. That's your cue to swoop in, offer the appropriate advice, and show just how utterly indispensable you really are.

### What can you monitor?

- ✓ VAT deadlines
- ✓ Deviations in expected costs
- ✓ Budget overrun
- ✓ Usage of specific journals
- ✓ DSO (Days Sales Outstanding)
- ✓ Cash balance
- ✓ Working stock
- ✓ Specific general ledgers
- ✓ Time capacity
- ✓ Stock levels

## TIP 5

## ACCESS THE RIGHT DATA

The right financial data allows you to refer back to previous transactions when required. Offer advice pertinent to what's going on right now. And provide strategic input to shape a successful future.

At one time, the only way to do all that was visit Gypsy Rose Lee in her heavily-curtained caravan by Blackpool Pier. These days you just need the right kind of software.

A number of tailored solutions allow SMEs to integrate all the usual accounting capabilities with industry-specific functionality such as project management, logistics or manufacturing. And they also let you connect your own system, providing a complete realtime view of the client's business.

The key data is always ready to view whenever you need it: the financial KPIs that reflect performance against targets. And the non-financials such as billability levels, budgets, employee productivity, delivery times, stock levels, etc. You'll always know where your input is required and when. All without crossing anybody's palm with silver.

**TIP** What data do you actually need?  
Work closely with clients to identify the KPIs most relevant to their business.

**Monitor KPIs to keep control**

- ✓ Billability: Billable versus non billable hours
- ✓ Project backlog: project/resource planning
- ✓ Profitability
- ✓ Stock levels
- ✓ Stock revaluation
- ✓ Order delivery times
- ✓ Margins
- ✓ Most profitable clients and/or items
- ✓ Production costs

**DID YOU KNOW?**

Only 12% of clients enter data online  
for accountants to access immediately.



Only 16% of accountants access  
360-degree client overviews via their  
CRM system.



Source: Exact 2015 SME Cloud Barometer

## TIP 6

# TRANSLATE INFORMATION INTO INSIGHT

Needless to say, access to the right data you need is one thing. But to add real value you also need to know what it actually means.

Yet again, technology is there to make your life easier by transforming raw information into meaningful insights you can act upon. Online software comes equipped with clear dashboards that display the relevant facts and stats at a glance. Inform, warn and advise your clients whenever required and build the proactive partnership that grows their business – and yours.

Regular benchmarking can also be a big help. Compare the results of your clients with the industry average, or with other clients in the same market. Standardising general ledger accounts for all your clients will help here, making it much easier to compare them with each other.



Whereas before we'd discuss the annual accounts and focus on the review, I can now pick up the phone and say: 'I see that you're exceeding the budget quite a bit here, what's going on.'

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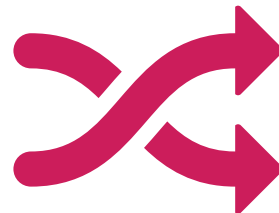
## MINI STORY

### Transform yourself into a data hero

Adopting a standard approach to the way you manage clients creates consistency across dashboards and insights. That in turn supports a more proactive, value-added advisory service.

Rather than rely on a specialist to set up reports that visualise data, why not do it yourself? Custom-made visual analysis tools make it straightforward to transform those endless rows of figures into a wide choice of colourful charts.

OK, so you may not be in accountancy to create post-modernist artwork. But visualisations help you and (more importantly) your clients instantly see what it all means to their business. So instead of spending all your time explaining the accounts, you can focus on the bigger strategic picture.



# 3 ORGANISATION

## STEP OUT OF YOUR COMFORT ZONE



A new approach requires the mindset to match. Evolving from accountant to business coach involves a complete change of culture as traditional frameworks give way to future possibilities and new opportunities. Crunching the numbers is just the start. From now on, success is about what you - and your clients - do with them.

Sure, online software and the right data have a big part to play. But your attitude to change is just as important.





## TIP 7

## THE RIGHT PEOPLE

Developing a more consultancy-based service may well involve creating new roles as you move away from traditional one-dimensional accountancy.

Say you start to advise clients on optimising efficiency and automating business processes. Do you already employ the people who can implement and maintain technical infrastructure as well as deploy it for new clients? Maybe you'll need to take on a business consultant, or an IT specialist.

And as you expand your areas of expertise, what about a legal eagle or an HR advisor? And before you start working out the wage bill with trembling fingers, wait a minute.

Because teaming up with freelance specialists or even a complementary business could offer a flexible, cost-efficient alternative.

**What can you monitor?**

- ✓ Tax consultants
- ✓ Business consultants
- ✓ Implementation specialists
- ✓ Legal experts
- ✓ HR specialists
- ✓ CRM professionals
- ✓ Payroll professionals
- ✓ Sales
- ✓ [Online] marketers

## TIP 8

## THE RIGHT CAPABILITIES

Needless to say, taking on more talent isn't going to be an option for everyone, at least not to begin with. We've already mentioned working with freelance specialists and teaming up with partner organisations offering complementary skills. But let's look at the resources you already do have in place.

Developing the skills and capabilities of your current staff could prove a very shrewd investment. You're leaving your comfort zone, so why don't they join you? There are plenty of training courses available to teach your teams how to adopt a commercial frame of mind, how to sell your advice, how to spot opportunities, and how to pitch your practice.

he benefits go beyond establishing a broader and more dynamic skills base. By investing in your staff, you make your practice a more attractive place to work and build a career. And that's another powerful way of standing out from the crowd.

### DID YOU KNOW?

- Only 12% of all accountants consider gaining industry-specific knowledge an important business challenge.
- Only 24% see the evolution into a more advisory role as an important business challenge.

Source: Exact 2015 SME Cloud Barometer

## TIP 9

## THE RIGHT KNOWLEDGE

Your expertise in accounting is undoubtedly highly impressive. But it doesn't qualify you to offer solid strategic advice. What allows you to add real value is a thorough understanding of each client's business and the industry in which they operate. Market trends. Current challenges. Future development. The works. That level of knowledge lets you see the wider context you need to effectively analyse and apply the insights we've already spoken about.

If you have a number of clients in a particular industry, it might even make sense to think about becoming a specialised accountancy in that sector. That offers a clear USP for your practice. And it brings a focus to your advisory services.

Again, the right training can help: some business software providers even offer specialised masterclasses that bring you up to speed with the sectors you deal with.

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By following industry courses at Exact, I understand my clients' industries more deeply and offer more valuable advice..."

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## MINI STORY

### Changing your employees' attitude to, erm, change

The evolution from traditional accountant to business coach requires a completely new mindset. For many if not most of your employees, it's a huge leap into the unknown – and that's not for everyone. So are they on board with the new direction? Are they smiling confidently, brimming with enthusiasm about the prospect of becoming the next generation of accountant-consultant?

Or do they look like they haven't slept for a week, stealing fearful glances at your office and talking in nervous whispers that suddenly stop when you walk by?

Well, it's probably neither of course. But needless to say you want your staff to buy into your plans. So get them involved in the process from the very start. Share your vision. Discuss their views. Train them up. And sort out a generous company night out, of course.

## 4 CONCLUSION



So there you have it.

Yes, the world of accountancy is evolving and things will never be the same again.

No, you don't need to bring in Tom Cruise as a partner to remain successful.

Cyberspace is crammed with articles, blogs and diagrams that confirm what most of us know from first hand experience. SMEs are looking for more value from their accountants. Yet precious few publications actually show you precisely how to deliver it.

Technology and insight will help you free up the time and gain the insight required to offer more consultative, higher margin services. But equally important is the right mindset. A more commercial, entrepreneurial approach. Enhancing your accountancy expertise with in-depth industry knowledge. Finding new and closer ways to work with clients.

All this isn't as far-fetched as it may seem. SMEs generally won't be in a position to bring in a dedicated consultancy for ongoing advice, so there's a big and profitable gap in the market. As a business coach, your practice can fill it by becoming the go-to partner for important business decisions.

This QuickGuide will hopefully give you at least a basic outline of the practical actions you can take to stand out from the crowd and start to position yourself as an invaluable business partner.

The possibilities are endless. The opportunities are waiting. Now is the time to get ready for New Accountancy.

## AT A GLANCE: 9 TIPS TO TRANSFORM YOUR PRACTICE

### EFFICIENCY

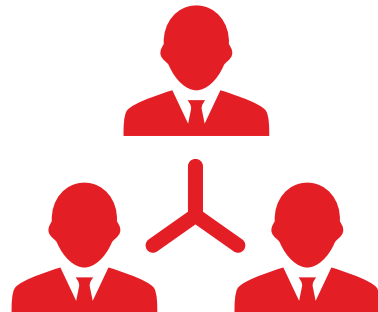
- 1 Select the right tools to cut manual tasks to a minimum
  - Scan & Recognise
  - Bank connection
  - General ledger templates
  - CRM tools, document management tools, online time registration
- 2 Standardise your general ledger accounts for all of your clients. Take your time to think this through in terms of the information you need most.
- 3 Share basic accounting tasks with your clients.

### DATA

- 4 Deploy continuous monitoring software with automated alerts to keep track of clients' performance.
- 5 Gain access to both accounting and industry-specific data to identify monitor relevant KPIs.
- 6 Take advantage of clear, visual dashboards to proactively advise you clients.

## ORGANISATION

- 7 Develop closer relationships with your clients to deepen your understand of their business, their industry and their potential requirements.
- 8 Don't be scared to hire roles you've haven't hired before. You'll need them.
- 9 Invest in people, with a focus on developing commercial and advisory skills.





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