

TAX TALKS

Australia's Tax News Podcast - The Podcast for Australian Tax Professionals

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Offering business advisory in addition to compliance will allow you to avoid competing on price.

Business Advisory

The accounting industry is shifting its focus. Compliance is still there and despite all the doom-tellers going as strong as ever, but there is space to add more value to your clients' ventures.

To find out more we went to see Mark Holton of Smithink who is very active in this space. Here is what we learned in this episode with Mark.

Longer and Stronger Relationships

Embracing a business advisory role will allow you to build longer-term relationships with your clients.

When you just sell a commodity – what compliance usually is – pricing is the key determinant of your engagement. There is no sense of a value-add in your client's mind. And so clients shop around for the best price, easily replacing you with somebody else who comes in lower.

When you go beyond that and use the knowledge you gain from working with your client's data to move to business advisory, you no longer sell a commodity and hence replaceable service. You add value which shifts your client's perception of their relationship with you. The result is a longer and stronger relationship with your client.

Unique Position

The knowledge you gain from your compliance work places you in a unique position. You don't come in cold. You know the client, have worked with them for years. seen how the struggled and grew. And you already got their raw data. You just need to use this data and knowledge and do something with it. Review it, analyse it and then try to help your client head in the right direction.

Holistic View

Knowing your client from years of compliance work allows you to take a holistic view of the business. Consultants coming in cold for a one-hour consultation are a lot more likely to focus on just one or two aspects like sales or operations. Experience shows that an accountant's skills and expertise translates well into business advisory services.

Staff

Offering business advisory will allow you to retain quality staff. Most young accountants want to work for an accounting firm that isn't solely focused on traditional compliance.

Add-Ons

Starting with business advisory often leads to additional services like succession planning, source financing and financial planning. Without business advisory you don't even see the need for these.

Summary

Offering business advisory will increase your revenue, steady your cashflow, reduce competition on price as well as give you a niche position, longer-term client relationship and more valuable business.

"The more you do it, the better you do it, the quicker you do it and the less time it takes." – Mark Holton

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