

# TAX TALKS

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

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## 176 | Insights of a Mentor

Insights of a mentor – where do you think most accounting practices struggle the most? Managing people.

### Insights of a Mentor

Edward Chan is a mentor for accounting practices. He is the co-founder of [WIZE Mentoring](#) and founder and non-executive chairman of [Chan & Naylor](#). Here is what we learned but please listen in as Edward Chan explains all this much better than we ever could.

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Here are the 7 insights of a mentor we took away from this interview.

#### # 1 Mentoring is not Coaching

Mentoring is very different to coaching. Think of a football coach. He gets in there with you – very task oriented – very hands on – very in your face. Telling you exactly what to do.

Mentoring is different. It is about support and guidance. Holding your hand rather than getting in your face. Providing examples, tools and education.

But even though the two are different, there is a fine line between the two. It depends on you and your mentor how close you move to this fine line. How much involvement you need and want and how much involvement your mentor is prepared and able to give.

#### # 2 Depend on the System, Not People

Your practice will either depend on systems or people. If you have an ordinary systems in place, you need extraordinary people to run it. But if you have an extraordinary system, ordinary people will be just fine.

Take marketing as an example. If you don't do marketing, you need an extraordinary person – an outstanding finder – to convert the prospect. But with marketing, an ordinary person can convert.

An extraordinary system will allow the practice to run by itself rather than being dependent on extraordinary people. Chan & Naylor is a living example of this.

#### # 3 Manage the Traffic Flow

When you walk into an accounting practice, you can usually see straight away where they struggle – 90% of traffic is repetitive. This is the traffic flow you need to manage. Putting a system in place to manage these repetitive tasks. So that you can focus on the 10% that are unique.

#### **# 4 Changing Habits is Hard**

Putting a new system in place is not easy. Because it requires us to change our habits. To change the system, you need to implement new habits. To implement new habits, you need to do it over and over again until it is well entrenched. The habit must become a culture. The culture then runs the business.

#### **# 5 Start With You**

If you are the owner, change must start with you. Your practice is a reflection of you. So to change the practice, you need to change your thinking.

It is close to impossible to change somebody's personality. But often it is just lack of knowledge. Education can go a long way.

You might be tempted to say, "Just train my staff". But you can't just train the staff. If you don't change your own thinking, training staff is a waste of time. It has to be led from the top. It is all about leadership. Your practice needs strong leadership for it to change course and hold that course. It's easier to lead if you know what to do and harder if you don't.

#### **# 6 Doing the Work is the Easy Part**

The easiest thing is doing the work. We are accountants after all. We love getting into the nitty-gritty detail of numbers. That is not the challenge.

The challenge is managing people, managing the traffic flow, building systems and processes, creating marketing that attracts clients. Nobody showed us hands-on how to do that.

#### **# 7 Invest in the Balance Sheet**

We tend to see all expenses as a P/L item – a cost. We need to change that thinking and view marketing, staff training and business development as a balance sheet item – an investment.

*To hear more of Ed's business growth strategies for accounting firm owners, please visit [www.wizementoring.com/taxtalks](http://www.wizementoring.com/taxtalks) where you can download a copy of WIZE Mentoring's free eBook – The Accountants 20 Hour Workweek.*

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