

Build your Accounting Practice for the Future!!!

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Presenter

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- Explore ProTech Entrepreneurial Haven (Co-Founder)
- Top 35 under 35 Chartered Accountant (SAICA)
- Top 50 women in accounting
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COURSE OUTLINE

Learning Outcomes

By the end of this webinar you should:

- Understand what is required to build an accounting practice for the future
- Understand why the shift is necessary
- Understand how to change your mindset with regards to thinking about yourself
- Understand how to change your mindset with regards to thinking about your prospects and clients
- Understand how to change your mindset with regards to thinking about your pricing
- Understand how to change your mindset with regards to your staff

Learning Outcomes

By the end of this webinar you should:

- Understand how to change your mindset with regards to technology
- Understand how to change your mindset with regards to the future
- Understand how to use the strategy checklist included at the end of these slides

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QUOTES FROM ACCOUNTANTS THAT HAVE FUTURE-PROOFED THEIR PRACTICES

“Instead of having a big push during tax season... we’re talking with our clients on a regular basis - Intentionally, as opposed to when it is necessary. I see advisory services as the wave of the future.”

Robert East, CPA, Partner
East Folsom, LLC

MODULE 1

INTRODUCTION

WHAT DO YOU NEED TO DO TO BUILD YOUR ACCOUNTING PRACTICE FOR THE FUTURE???

- Move your marketing and lead generation practices into the future
- Move your workflow, team management and leadership development into the future
- Make sure you're offering the services that the clients of the future are looking for
- Strategy, strategy, strategy
- Change the way you think about yourself, your practice and the future
- STOP differentiating yourself on price

TO CHANGE YOUR BUSINESS, FIRST YOU HAVE TO CHANGE YOUR MINDSET

Factors having a profound impact on the future of accounting:

- Shifting demographics,
- Changes in consumer behavior,
- a Dynamic tax and Regulatory environment,
- Technology, and
- a multitude of other factors

That impact means an unprecedented rate of change.

To CHANGE YOUR BUSINESS, FIRST YOU HAVE TO CHANGE YOUR MINDSET

You can be your clients' trusted advisor, or their financial historian.

The future of accounting is here.

IN THE BEGINNING

- It all began with you becoming “the tax man.”
- The idea of you, the tax man, would loom over the country all tax season long.
- Clients would frantically search for receipts.
- Bundle their bank statements.
- If they were lucky enough to have them, paper clip their supporting documents.
- Declare their dependents.
- Gather medical statements.
- Hunt down property documents.
- Put everything in a box and deliver it to you.
- Even if it was a mess, they knew the tax man would take care of it.

MODULE 2

RECAPPING WHERE WE COME FROM

IN THE BEGINNING

- And you did.
- You took care of all of it.
- And then? “See you next year!”
- It was a transaction.
- Your clients brought you what you needed to get their work done,
- you organized it,
- completed their forms, and
- filed their tax returns.
- By doing so, you met their expectations, such as they were at the time.
- That was the end of it until next year.
- Your clients had their taxes done.
- You made some money.
- All was well.

IN THE BEGINNING

- But now it's all different!
- Your profession is undergoing profound changes.
- The impact of these changes has been accelerated by:
 - technology,
 - an ever-morphing tax code with sometimes delayed and uncertain SARS guidance,
 - changing consumer and business expectations, and
 - the ascendancy of business models that promote enduring relational value over discrete, commoditized transactions.

IN THE BEGINNING

The question is, are you changing your business to adapt **accordingly, effectively, and profitably?**

Or, is your business remaining static in a dynamic profession?

MODULE 3

SHIFTING INTO THE FUTURE

SHIFTING TO THE FUTURE ACCOUNTING PRACTICE

- Are you looking forward, or holding onto the past?
- Your clients, and your clients' businesses, are constantly looking forward.
- They are always trying to anticipate markets, economics, income, and expenses.
- Are you going to **look forward** with them — and walk alongside them to help them succeed — or **look backward** and **provide reactive services that most of your competitors can provide**?

SHIFTING TO THE FUTURE ACCOUNTING PRACTICE

- In today's environment, growing your business means shifting to an advisory service model.
- In fact, an advisory service model is not just a trend in your profession but is becoming — and has already become — **an expectation** on the part of your clients and prospects.

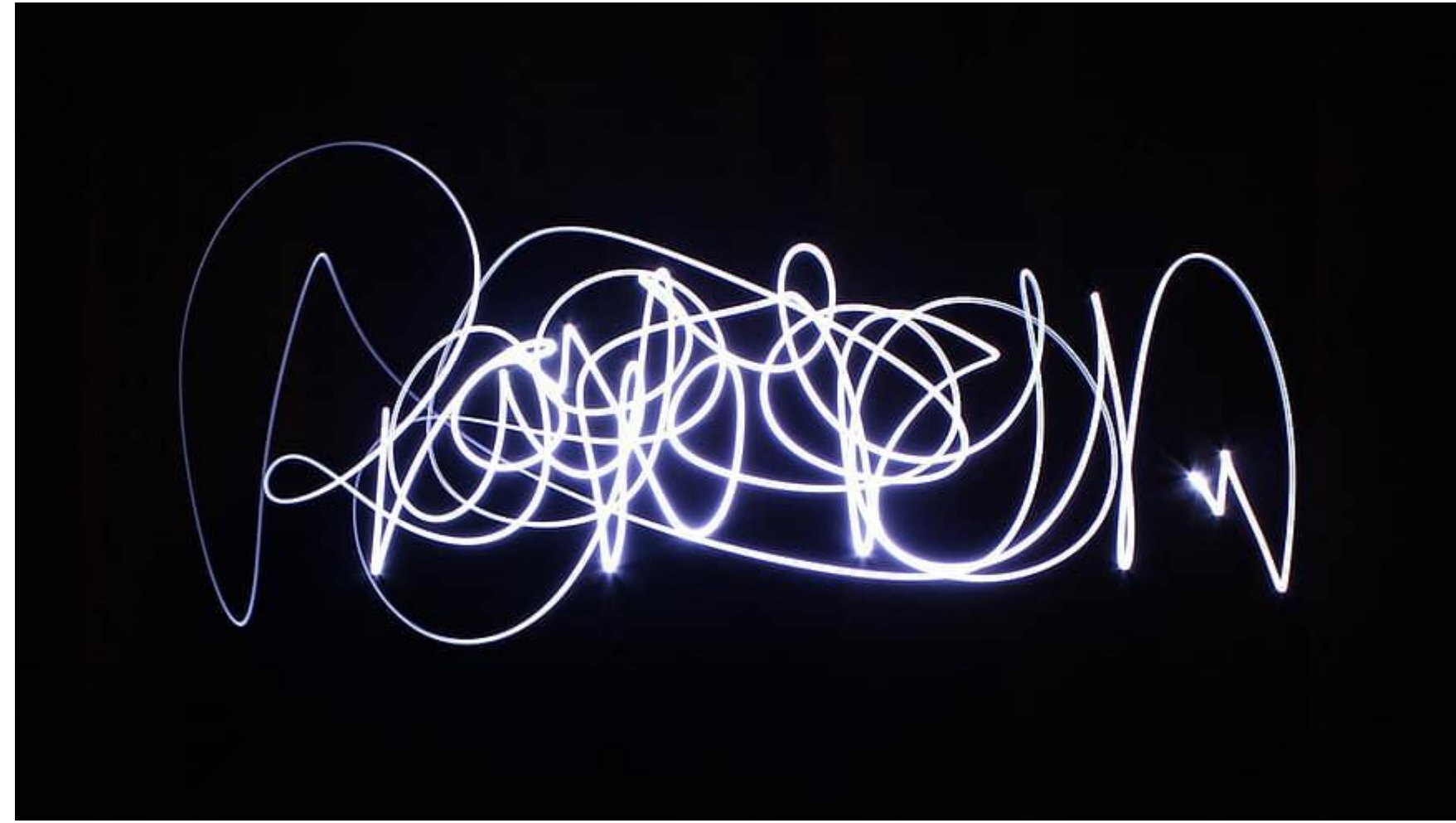
Why?

- DIY resources and other factors have combined to make the tax preparation and filing process, in large part, a commodity.
- Compliance is important, and can resolve complications, but addressing them is usually **something your competitor three blocks over can handle just as effectively as you can.**

SHIFTING TO THE FUTURE ACCOUNTING PRACTICE

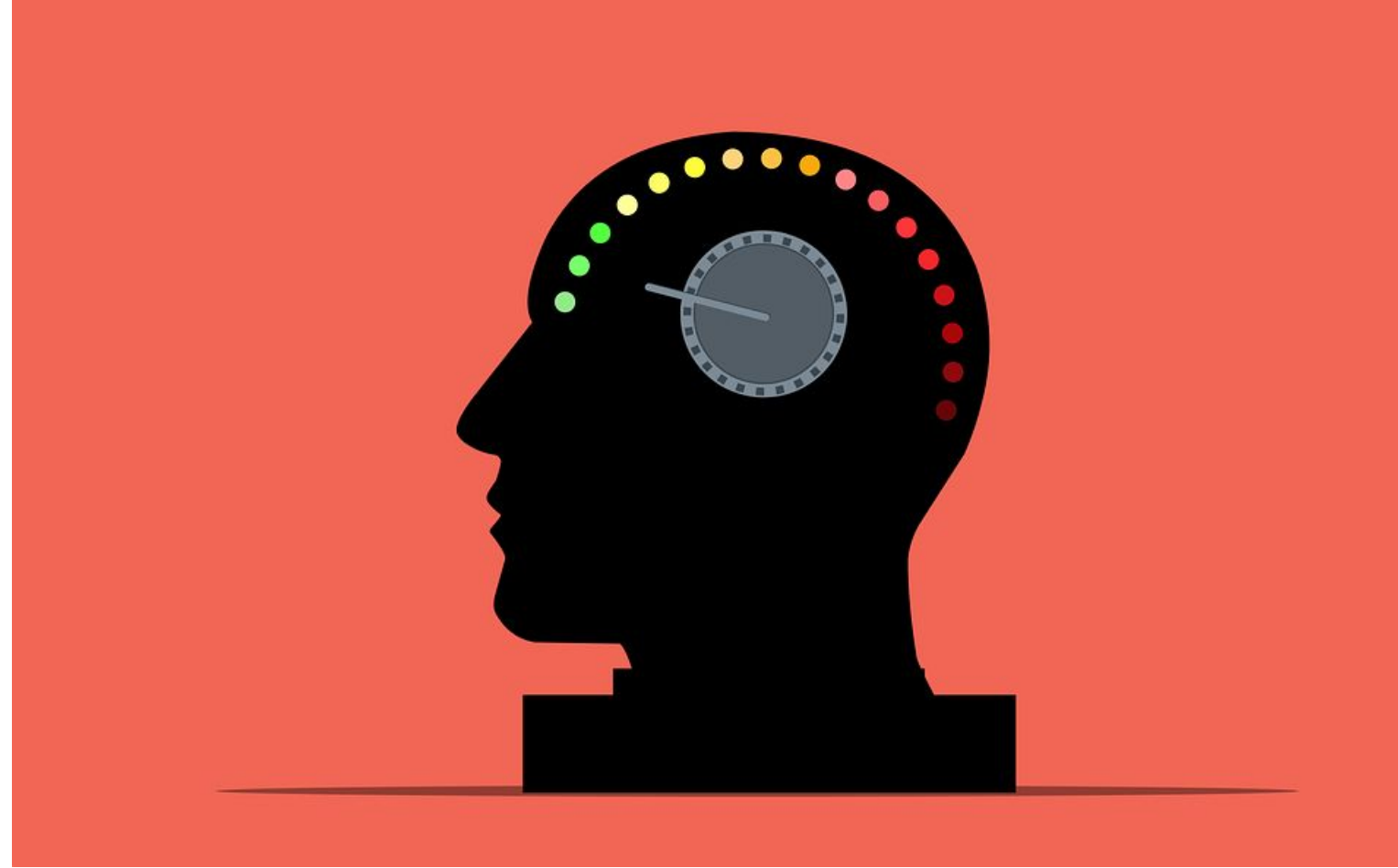
- As a result, price becomes the primary factor when prospects search for and select a tax professional.
- You may find yourself competing based on the lowest common denominator — price.
- The reality is that you should be competing on the basis of value.
- Be a future-proof Accountant - one who understands the **true value of time, expertise and experience.**

THE ARC OF CHANGE: THE ACCOUNTING FIRM OF THE FUTURE



- Change is rarely a completely linear process.
- More often, it is a two-steps-forward, one-step-back type of evolution.
- But while changing your business is an ongoing process that may not have an end, it often does have some sort of a beginning, and maybe even several beginnings.
- Where does the transformation of your business begin?

SHIFTING TO THE FUTURE ACCOUNTING PRACTICE

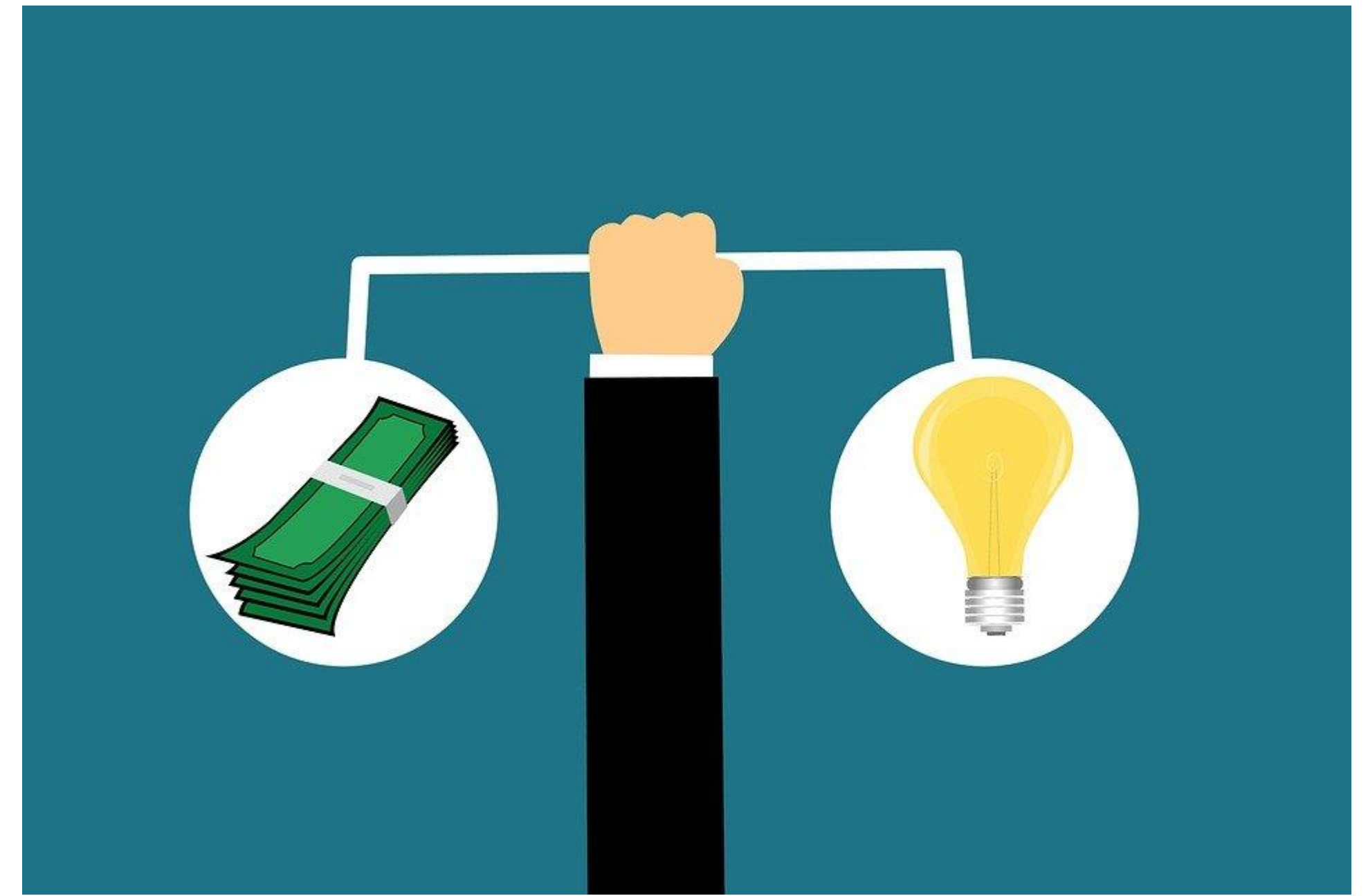
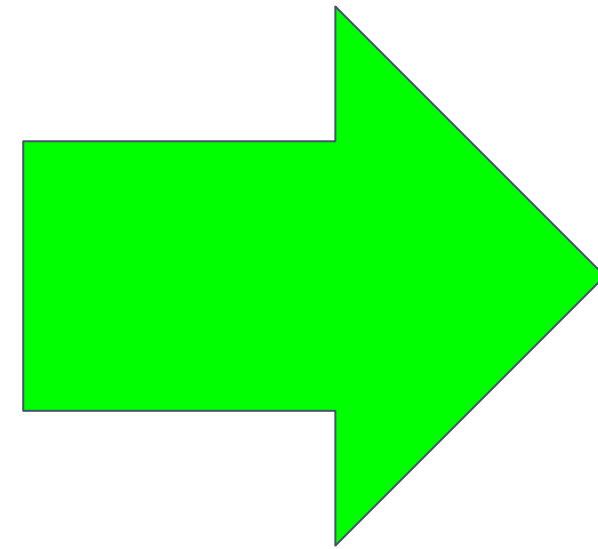
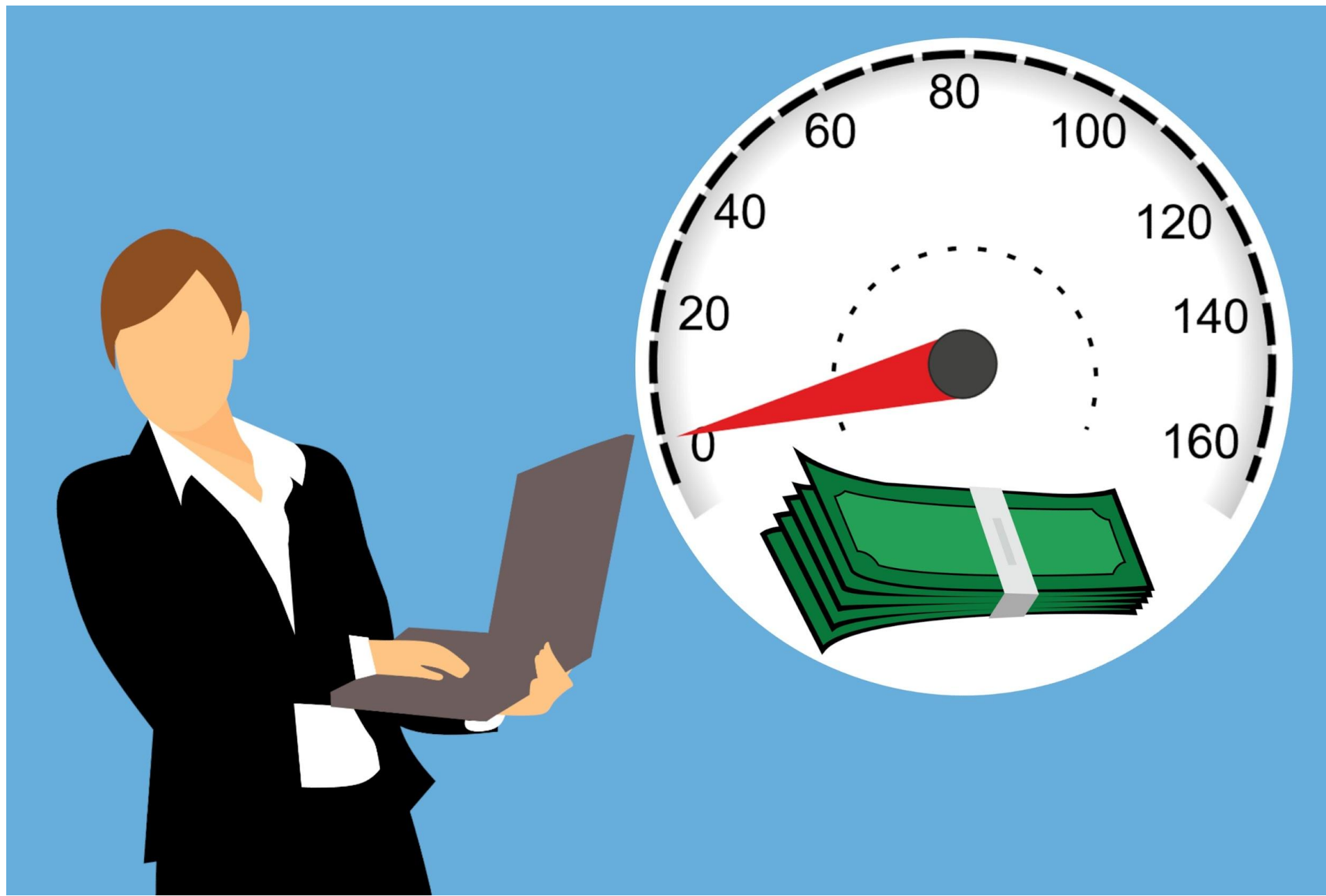


- It doesn't begin with restructuring your practice, creating spreadsheets, developing long-term plans, creating checklists, broadening the scope of your services, or renaming your practice.
- It begins with you.
- It begins with how you think about yourself, your business, your clients and prospects, your profession, and your future.
- It begins with transforming into an accounting firm of the future.
- **It begins with changing your mindset.**

MODULE 4

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOURSELF

CHANGE YOUR MINDSET: HOW DO YOU THINK ABOUT YOURSELF



- How can you provide the most value to your clients?
- Tax and accounting compliance may be necessary and your clients depend on you for that kind of work, but **what if you could help them in more — sometimes intangible — ways?**

CHANGE YOUR MINDSET: HOW DO YOU THINK ABOUT YOURSELF

- Consider a somewhat rough analogy.
- Let's say you take your car in for scheduled service.
- Do you want to work with Tom, who only does the work recommended by the manufacturer, or would you prefer to work with Bob, who also anticipates potential issues and offers a variety of solutions to proactively address those issues before they occur?
- Bob's approach to service creates a lasting bond that not only cements your trust, but also results in a better reputation and more revenue for his business long-term.
- Be like Bob.

CHANGE YOUR MINDSET: HOW DO YOU THINK ABOUT YOURSELF

- Identify what you do well and what expertise you have that you are not currently using with your clients.
- You may be able to enhance your value by offering more diversified service offerings.
- If this strategy appeals to you:
 - consider which services make the most sense for your clients, but more importantly,
 - what best compliments your existing knowledge and experience that you would enjoy learning, expanding upon, or becoming an expert in.

CHANGE YOUR MINDSET: HOW DO YOU THINK ABOUT YOURSELF

- For example, if you offer estate and gift tax services, you may want to expand to related areas, such as:
 - elder care planning,
 - trust management,
 - succession planning,
 - charitable giving,
 - retirement planning, and
 - family financial planning.

To support any expansion of specialized services, you may want to invest in attaining new designations or qualifications. See what is out there.

CHANGE YOUR MINDSET: HOW DO YOU THINK ABOUT YOURSELF

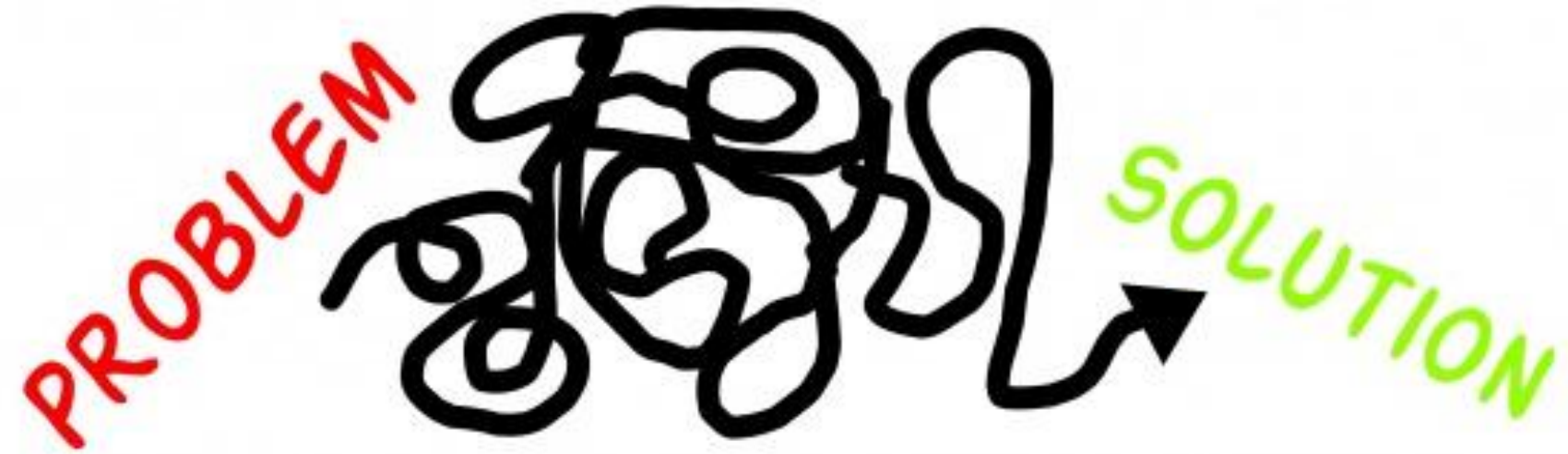
- Another approach is to assume an advisory management role, similar to that of a general contractor.
- Beyond providing referrals, which you already do, this strategy positions you as the central point of contact — the filter and coordinator for all advisory information from:
 - bankers,
 - attorneys,
 - financial planners,
 - and more.
- Clients these are interested in buying ***complete solutions*** so offer them what they want.

CHANGE YOUR MINDSET: HOW DO YOU THINK ABOUT YOURSELF



- Like a contractor, you assume responsibility for all advice and guidance that is provided, regardless of the source.
- This approach may help you:
 - Diversify your income streams
 - Leverage other human capital for growth
 - Increase your revenue
 - Increase client loyalty, retention and referrals exponentially.

CHANGE YOUR MINDSET: HOW DO YOU THINK ABOUT YOURSELF



The most practical approach may well be a combination of the two strategies:

- expanding your expertise and the services you offer,
- while simultaneously leveraging and **growing your network of advisors**
- and drawing them into a more formalized cooperative.

MODULE 5

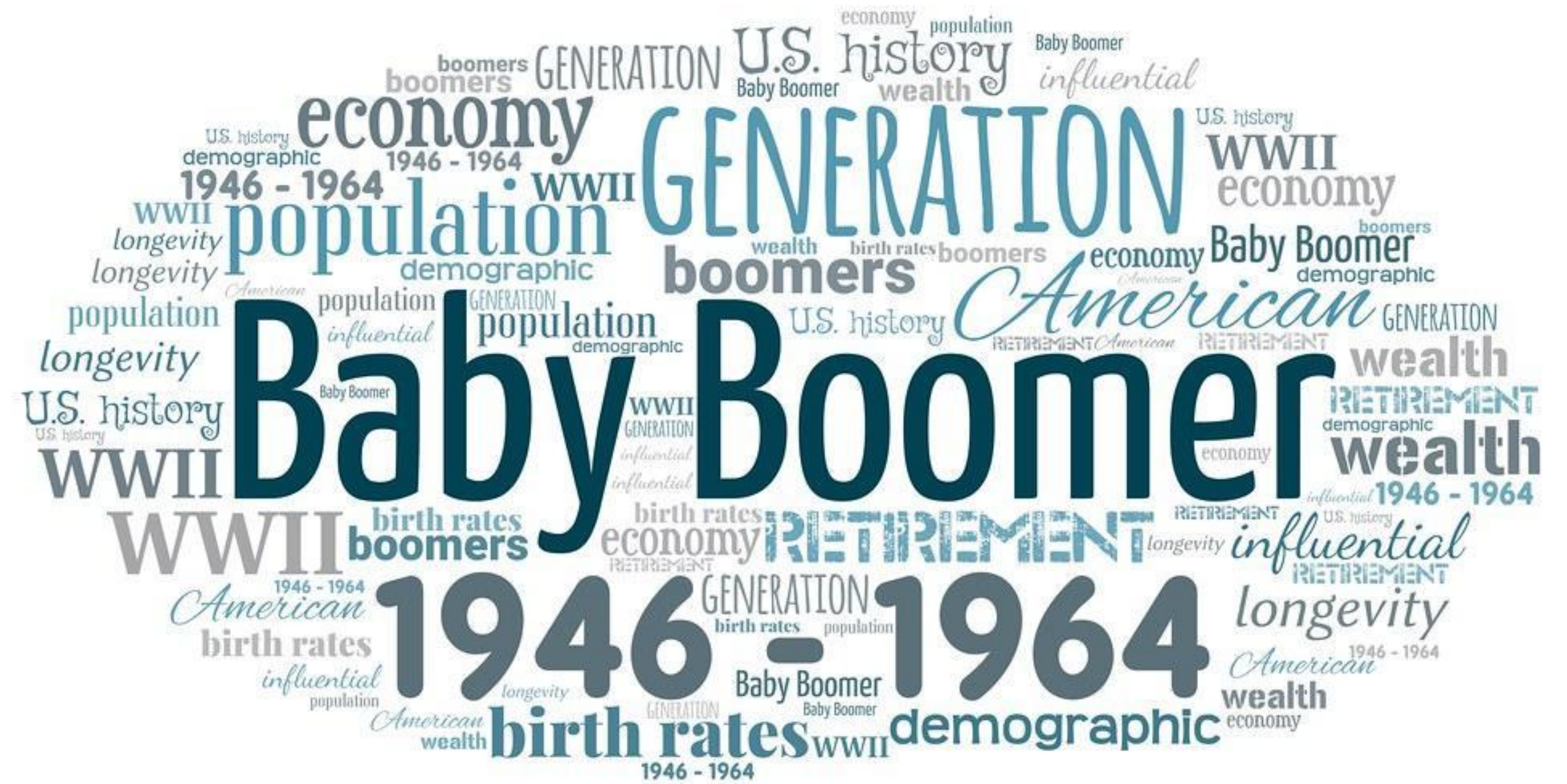
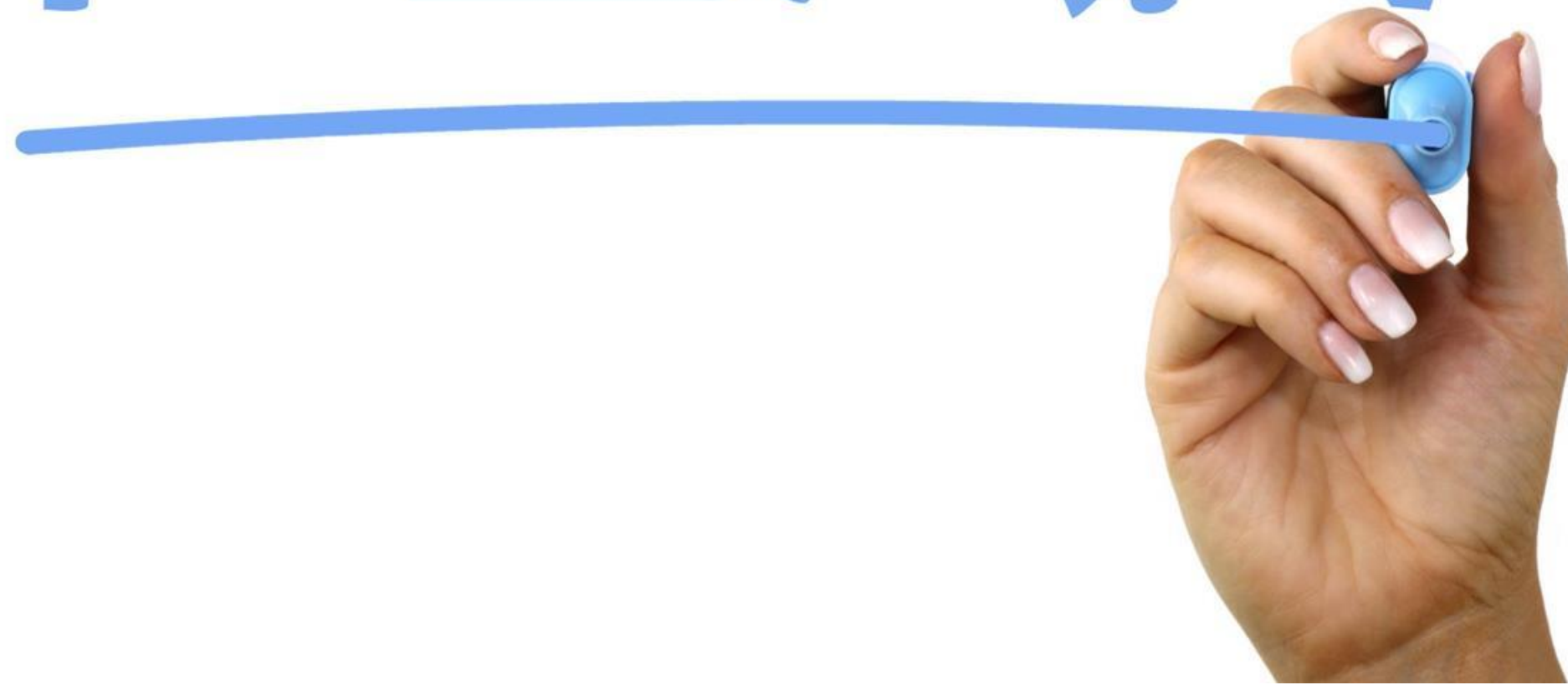
CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS

- It's clear that your clients are looking for more.
- More advice, more guidance, more expertise, and a more integrated and comprehensive relationship.
- A proactive response to this shift is critical.
- Take a moment to consider your prospects and their demographic profiles.
- On one end of the spectrum, you have waves of retiring Baby Boomers.
- They are facing an increasingly complex situation - not just when it comes to their taxes, but also succession planning, retirement planning, estate planning, and health care.
- **They are looking for comprehensive planning and advisory services** as they transition to a very different phase of their lives.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS

PLAN

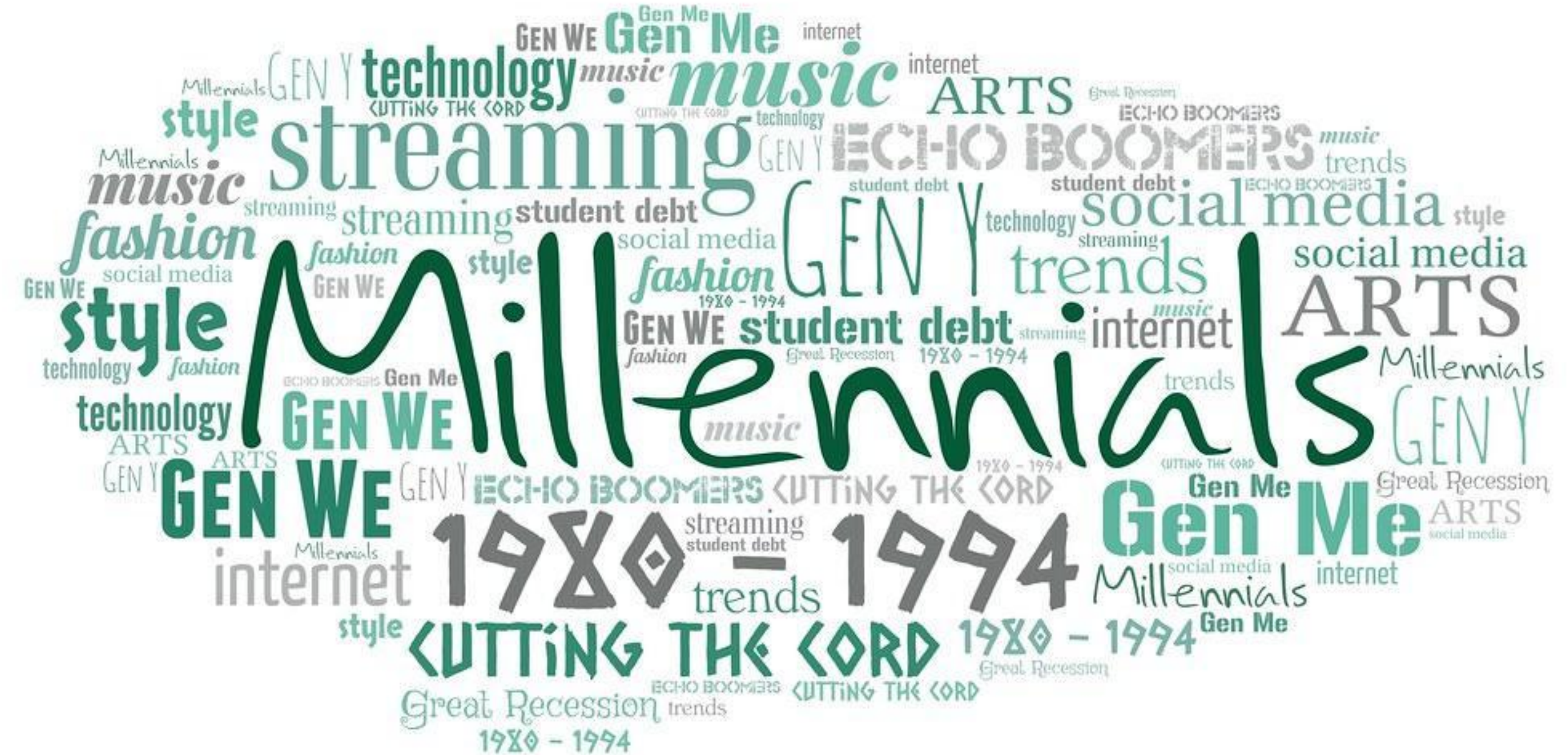
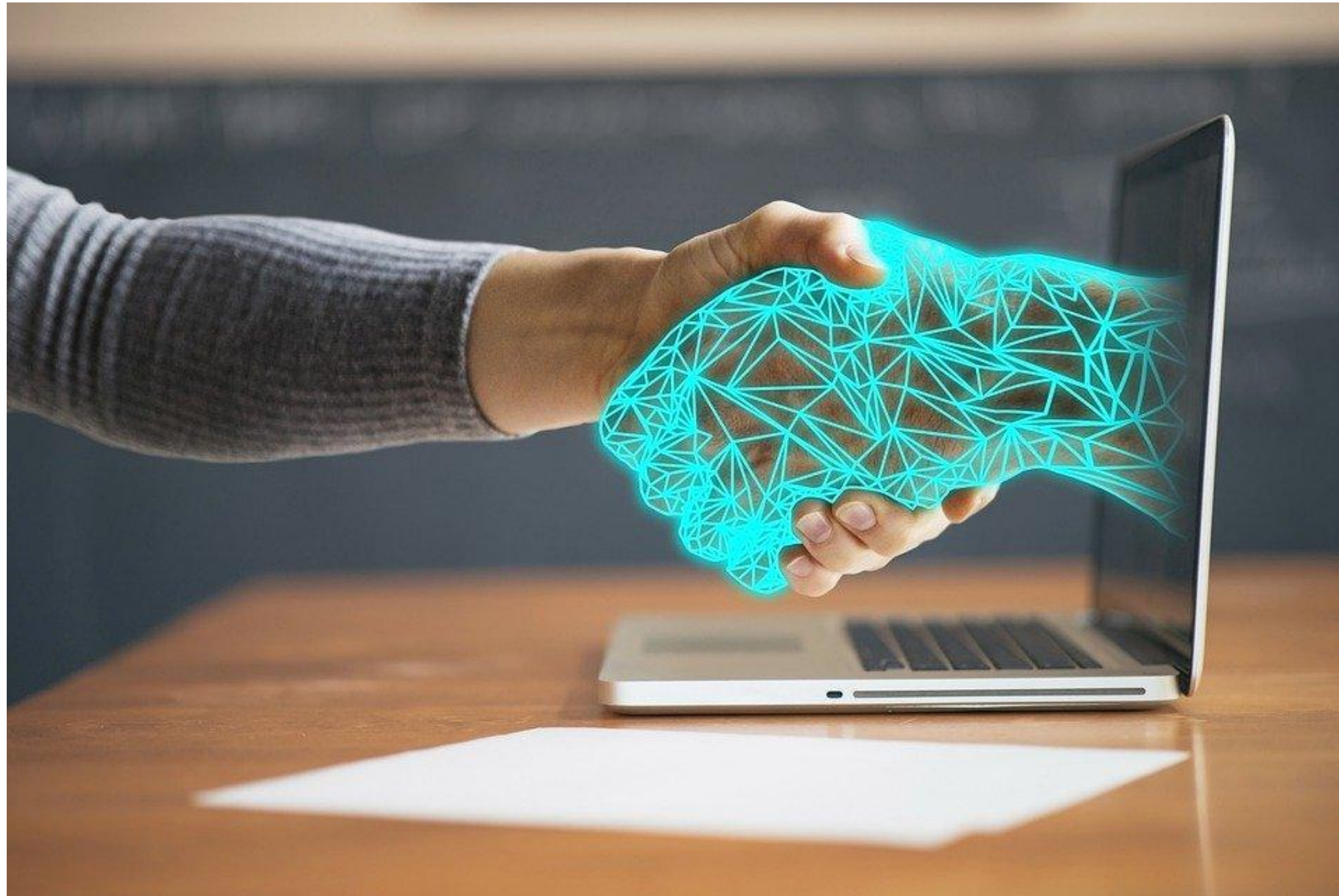


- Many may be less concerned about having someone do their income taxes than they are about making sure their golden years are comfortable and that they leave a legacy behind for their families.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS

- Toward the other end of the spectrum are Millennials.
- Surprisingly to some, they are not all independent mavericks who rely only on their own counsel when it comes to business and financial planning.
- In fact, according to a study done by The Guardian, “Millennials value tech-driven solutions and dashboards in their financial planning, but they also want the face-to-face advisor experience.”
- What’s more, texting and social media trail far behind as methods for advice.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS



- As for education? Technology, namely social media, facilitates learning and researching about products and services.
- Even the digerati expect the human touch as well.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS



- Of course, your clients are more than their demographic profiles.
- What other characteristics do they share?
- What psychographic characteristics do they share?
- How do you strengthen your skills to better address those aspects of your client base, and how do you develop skills to address clients and prospects that don't fit those particular molds?

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS

Here's an Example

- Around 2007, Prudential built a marketing campaign around the theme of The Retirement Red Zone.
- It was based on sound financial principles, such as sequence of returns, and was developed specifically for consumers who were five years before retirement through five years after retirement.
- It addressed the very real and very specific challenges and risks faced by clients within that time span - the Retirement Red Zone.
- For example, the particular danger of negative returns in a portfolio shortly after retirement.
- How many of your clients and prospects fit in this profile?

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS



Here's an Example

- Could you develop an advisory package of services that specifically address the needs of your clients that fit within this bracket?
- How much would that benefit your relationship with those clients?
- How much would that add to your monthly revenue?

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS

Here's Another Example: FIRE

- How many of your clients subscribe to the Financial Independence Retire Early movement?
- These are a group of people between 25 to 35 that are PASSIONATE about doing everything they financially possibly can in order to RETIRE EARLY.
- They're interested in learning as much as possible about financial planning, connecting with others that are doing the same.
- Investing right.
- Creating additional revenue streams.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS

Here's Another Example: FIRE

- Passionate about wealth creation and preservation, tax planning and structuring, etc.
- Don't they just sound like the ideal client?
- How many of your clients subscribe to the Financial Independence Retire Early movement?
- Could you develop a niche service offering for those types of clients in your business?



CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR CLIENTS AND PROSPECTS



Thinking differently about your practice means thinking differently about your clients and their lives.

We have to plan for client growth in a strategic way that addresses client needs while also prudently growing our businesses.

MODULE 6

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT PRICING YOUR SERVICES

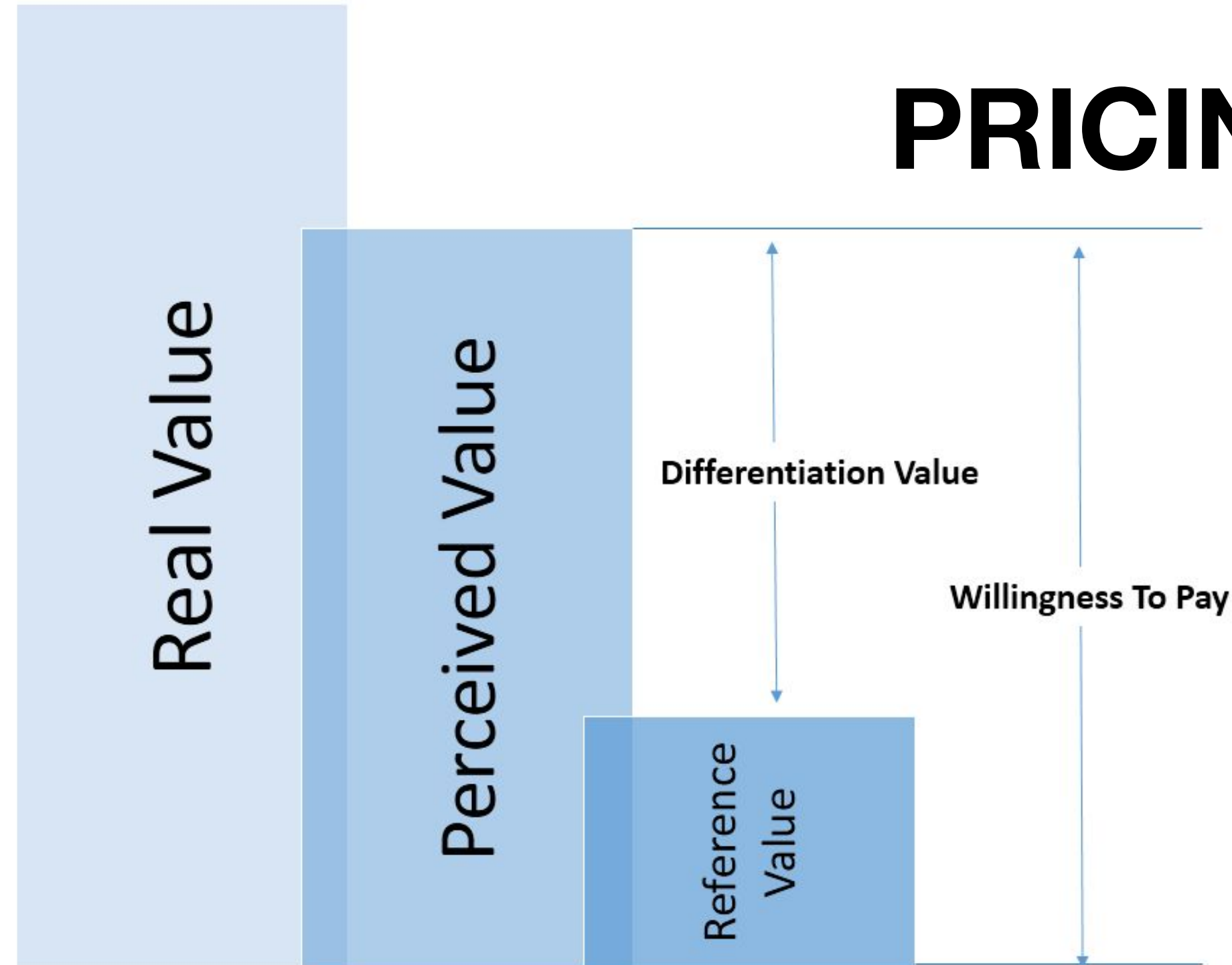
CHANGE YOUR MINDSET: HOW YOU THINK ABOUT PRICING YOUR SERVICES

- To gain and retain clients in the evolving accounting profession, you have to demonstrate value beyond processing tax returns.
- Until you change your mindset about how you provide services, you won't be able to change how you charge for those services.
- Focus on the value you provide, not the transaction you exchange.
- Break free from the traditional hourly billing cycle.
- Hourly billing implies that you provide a commodity.
- Value pricing is a more accurate indicator of the true value that you and your firm provide.
- Not only will you become more profitable, but your clients will also come to understand that they are paying not just for your time, but for your expertise and your intellectual capital.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT PRICING YOUR SERVICES

- Charge for your value.
- It is likely that you and your clients will benefit from this advisory, value-based model.
- Value pricing involves a process of shifting from how long a particular service takes to perform, to how much value performing that service provides to the client.
- It also takes out the need to negotiate fees, which you may find yourself doing with your clients currently.
- Negotiating implies that your time and expertise can be discounted.
- You know better - and it's time your clients know better, too.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT PRICING YOUR SERVICES



- Moving to an advisory pricing model can be challenging.
- Its all about how do you bundle your knowledge, expertise, resources, guidance and advice, and place a price tag on it?
- Consider consulting with a professional who has helped other firms make the shift from transactional pricing to value-based pricing.
- The investment will be well worth it in the long run.

MODULE 7

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR STAFF

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR STAFF

- Transforming how you do business also means evaluating the structure and knowledge base of your staff.
- It also means empowering and educating your staff.
- This doesn't mean cleaning house.
- It means keeping house, identifying true strengths, and upgrading skills as needed.
- One consideration is how to properly allocated tasks and projects.
- Determine how to value your time relative to how you value the time of various staff members.
- As you shift to an advisory service model, it is increasingly important to educate and develop staff to meet the needs of your clients.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR STAFF

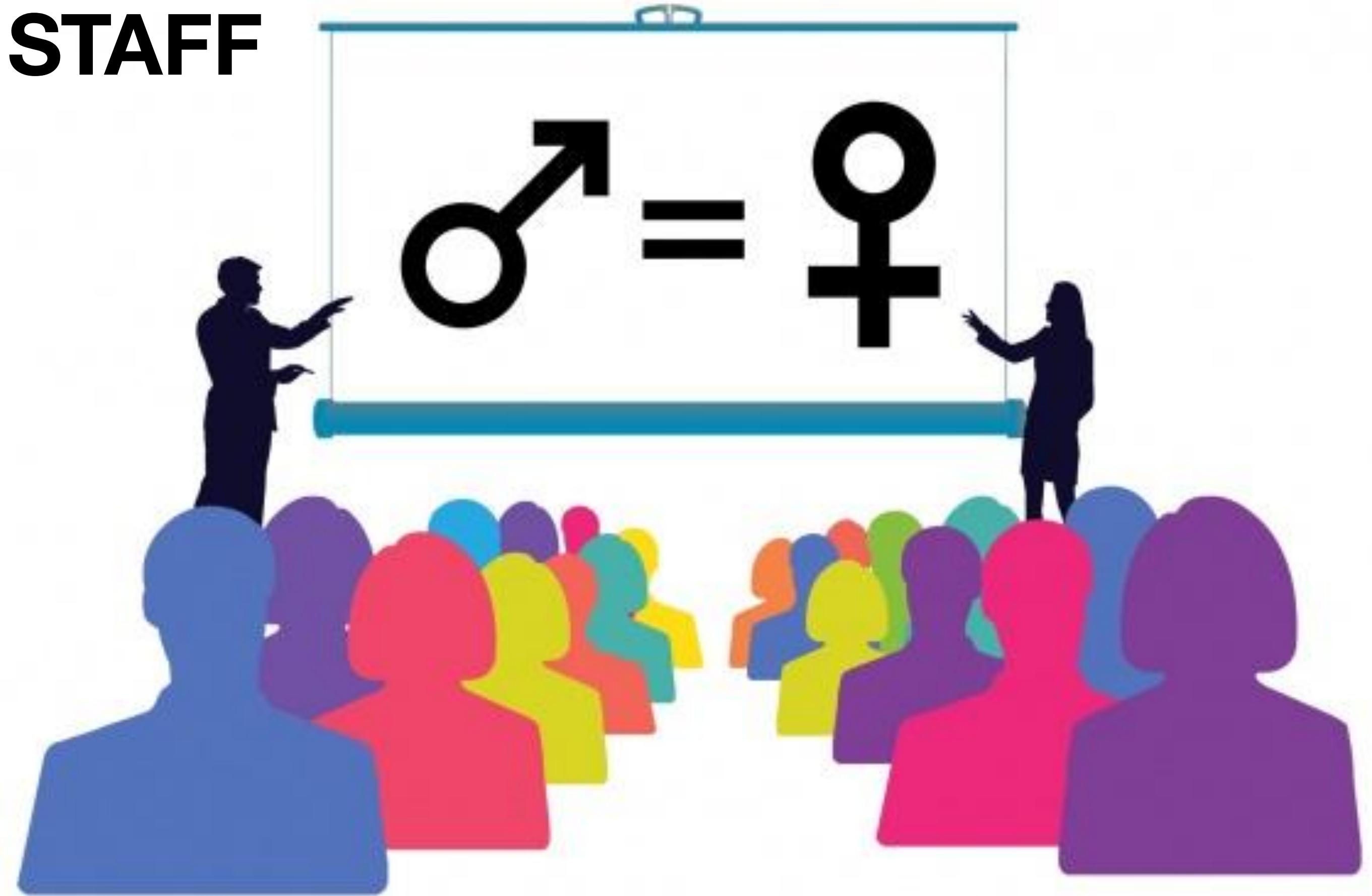


- In other words, determine who does what to optimize your practice's efficiency and effectiveness.
- In addition to providing resources to support the professional development of your staff, there is another tool you have available - setting an example.
- Set a standard for your staff by serving as a role model in how you manage your business and how you conduct yourself with them and with your clients.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT YOUR STAFF



- You know your staff.
- You know their capabilities.
- It's important to allocate their skills appropriately.
- It's not only good for you and your clients, but for your staff, as well - especially as you coach and nurture their development.



MODULE 8

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT TECHNOLOGY

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT TECHNOLOGY



- The rise of DIY tax software is fueling the commoditization of tax preparation and placing pressure on firms to differentiate.
- At the same time, client expectations are growing increasingly demanding.
- It's a perfect storm that brings both challenges as well as opportunities.
- The accounting profession is not known for cutting-edge technology or driving innovation.
- One of the last great leaps forward in accounting methodology was the advent of double-entry bookkeeping some 500 years ago.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT TECHNOLOGY

- However, a number of recent technological advances are having significant impacts on the profession.

Consider this:

- Big data and data mining help you gather, store, manage, and make practical use of the proliferation of information about your business, your clients, and your prospects.
- Artificial intelligence helps you go beyond addressing client needs by anticipating those needs in ways that were previously not possible.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT TECHNOLOGY

- However, a number of recent technological advances are having significant impacts on the profession.

Consider this:

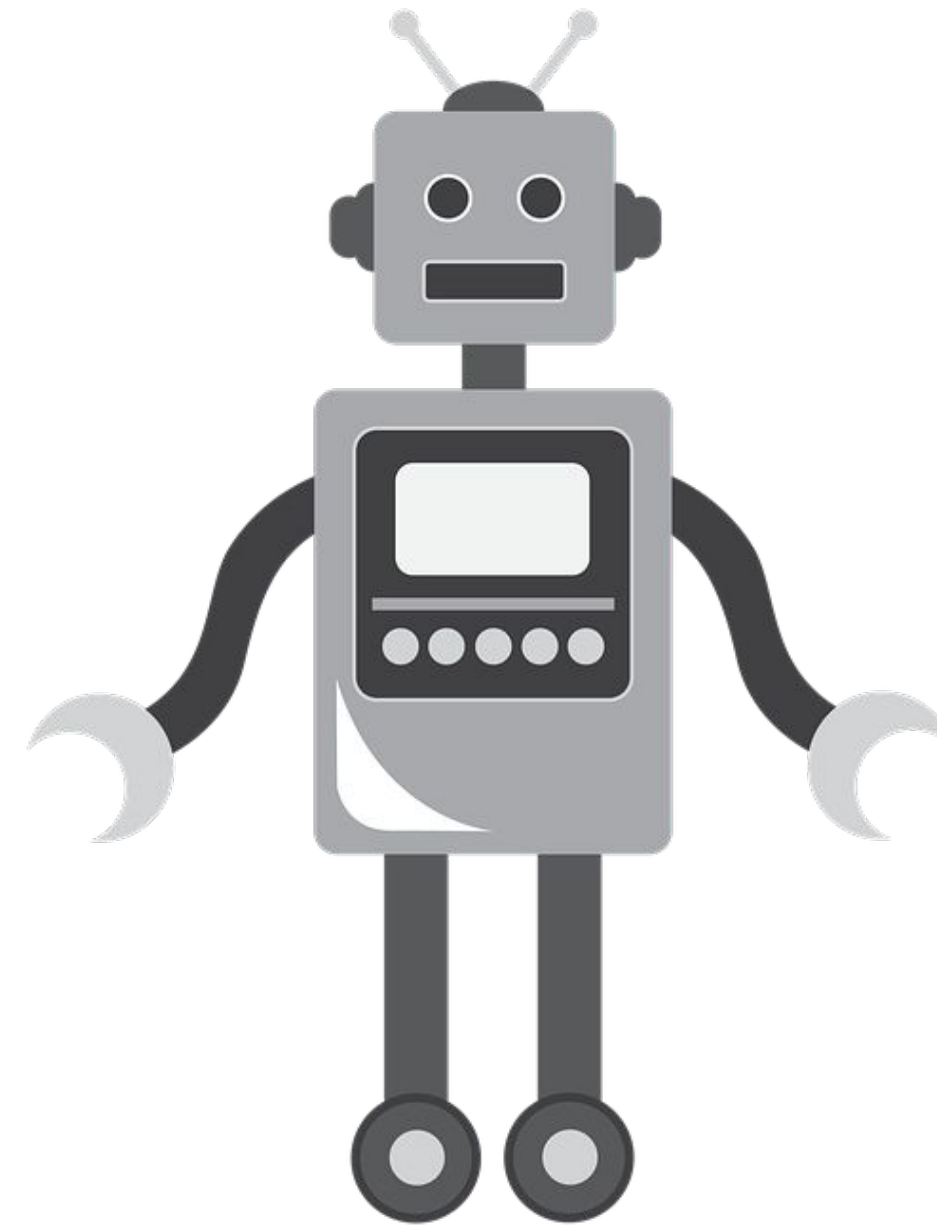
- Cloud-based applications and services save you (and your clients) time, money, and other resources for increased efficiency and accuracy.
- Workflow management tools facilitate a more efficient practice.
- Customer relationship management tools can be integrated with your tax preparation software to provide a comprehensive and holistic approach to client management.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT TECHNOLOGY



- Double-entry accounting is still valid.
- But the availability of advanced technology and tools to help you build a more effective, efficient, growing, and sustainable business that better meets your clients' needs should change how you work.
- As you continue to shift toward new technology, it's important to keep in mind that technology is a means, not an end.
- It has no intrinsic value in and of itself, beyond how it can help you and your business.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT TECHNOLOGY



- In fact, the wrong technology can have a negative impact that can cost you time, money, and ultimately, clients.
- Also keep in mind that not only does software need to be purchased, installed, and integrated, but it also has to be maintained.
- Be aware of how maintenance is priced, and get references from users in your industry.

MODULE 9

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT THE FUTURE

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT THE FUTURE

- Transactions are how you have traditionally made a living.
- But establishing enduring and meaningful connections is how you generate more transactions, and how you build a sustainable, profitable business.
- It is how you retain clients, and how those clients channel more new clients to you.
- And that is not just referral-based growth, but also multi-generational growth.
- That is why an advisory business model, not a transactional business model, is the key to your success.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT THE FUTURE

- Change is hard.
- It's challenging.
- It's uncomfortable.
- But often, it is necessary.
- It can also be rewarding, and sometimes even exhilarating.
- The good news is that you are starting this journey with an advantage.
- In regard to your current clients, you already have their business, and you already have their trust.
- You're ideally situated at the intersection of tax planning, financial management, business strategy, and more.
- You're already a step ahead.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT THE FUTURE

- Take inventory of your clients, your target markets, and your skill sets.
- Begin to change the way you talk about your business, how your business is structured, and how your services are priced.
- Listen to your clients and dive deeply into identifying their needs, both now, and in the future.
- This is not just an inventory of client needs, but an ongoing dialogue.
- It's not enough to know your clients today.
- You need to anticipate their needs five or more years down the road.
- The best way to know your clients is to never assume that you know them completely.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT THE FUTURE

- As you look to the future, it's important to remember that while profitability is clearly good for you, it is also good for you, it is also good for your clients.
- In order for them to be able to rely on you, your business has to be sustainable, and that means profitable.
- Finally, it's important to you and your staff - and all of your families - that you have a succession plan in place.
- It is also, obviously, important to your clients.
- One of the potential positive outcomes of an advisory service is that it helps to establish multi-generational relationships with clients.

CHANGE YOUR MINDSET: HOW YOU THINK ABOUT THE FUTURE



- A succession plan is one more way to make sure that your legacy is having an impact on your clients and their families long after your career is over.
- The future of accounting is here.

MODULE 10

STRATEGY CHECKLIST

CHANGE YOUR MINDSET CHECKLIST

Think about yourself



- How can you provide the most value to your clients?
- What would you like to offer that you do not currently?
- Do you need additional education or training to offer additional services?
- Are your referral relationships strong enough?
- Are you positioned as the go-to advisor for your clients?

CHANGE YOUR MINDSET CHECKLIST

Think about your clients and prospects



- What do they need that they could get from you, but aren't?
- Are you providing the guidance and strategic direction they seek?
- How many of your clients are retiring in the next five years?
- How many new clients do you need each year to maintain the status quo?
- What commonalities do your clients have, aside from demographics?
- Are you reaching enough prospects?

CHANGE YOUR MINDSET CHECKLIST

Think about your pricing



- Are you being paid for your value and expertise, or just your time?
- Are you negotiating fees with any of your clients?
- What are you doing for clients that you're not charging for?
- Should an external consultant help you structure a value-based pricing model?

CHANGE YOUR MINDSET CHECKLIST

Think about your staff



- Who needs additional training or education?
- Are they learning enough from you to act as trusted advisors?
- Who is ready to take on a more proactive advisory role?
- Do you have the right staff in the right positions?
- Are your staff overwhelmed, inefficient, or under-productive?

CHANGE YOUR MINDSET CHECKLIST

Think about technology



- Is your technology helping or hindering your productivity and efficiency?
- Do you have the right technology tools to accurately and quickly perform tasks?
- Is your current technology laborious or expensive to maintain?
- Does your technology do everything you want it to do?
- Is your technology streamlined and integrated or disparate and disconnected?
- Does your technology help you improve relationships with clients?

CHANGE YOUR MINDSET CHECKLIST

Think about the future



- Is your firm evolving, with an eye on the future?
- Have you developed a succession plan?
- Are you prepared to handle the changes coming to the profession?
- What will your clients need five years from now that they don't need today?
- How will you better serve your clients in the future?
- Will you be more, less, or equally profitable in ten years without change?

QUESTIONS

**Thank you
for your participation**