Using insights to start a valuable advisory conversation with your clients

Clayton Oates
QA Business
Ice-breaker - Share with your neighbor how many years have you been advising clients?
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Today’s speaker

Clayton Oates
Founder
QA Business
@Clayton_Oates
Who’s in the room?
Confidence
Connection
Clarity
Conversation
The uninspired advisor
You can have everything in life you want if you will just help enough other people get what they want.

Zig Ziglar
Behind Every Set of Numbers There’s a Human Story
Pause & reflect on the numbers
From Automation to De-Mystification
Delivering insights
We are in the Knowledge Transfer Profession
Actionable data

- **Data**
  - E.g. Input, Documents / Transactions within the GL

- **Information**
  - E.g. Output, Accounts, Management Reports, Financials, ITR

- **Knowledge**
  - Information interpretation, What has happened

- **Insights**
  - Aha Moments, why has something happened and what to do about it

- **Action**
  - What can we do to lead change (Proactive Advisory)
P&L Review

Allocations
Margins (gross & net)
Expenses by % of income
By month
YOY comparison
Identifying trends
Historical indicators
Budgets

Setup (Last year actual)
  Seasonal
  By class
  Territory

Review (Bookkeeper, client, accountant)

Monitor & maintain

P&L Budget v actual

Variance analysis
Balance sheet

Proofing the balance sheet

Balance sheet movement ($ and %)

Balance sheet by month (report & graph)

AR | AP | Inventory trends

Average debtors days

Leading indicators
If you didn't have to lodge a Tax Return would You still see a need for using an Accountant?

- Yes: 51.56%
- No: 30.47%
- Maybe: 17.97%

Source: QA Business
What Clients Want Survey
What Additional Services would you LIKE Your Accountant to Offer Your Business?

- Business Coaching /... 24.14%
- Business Planning and... 29.31%
- Wealth Creation Ideas 32.76%
- Business Analytics an... 13.79%
- Software Training and... 13.79%
- Succession Planning 18.97%
- Entity Structure... 13.79%
- Software Addons to... 10.34%
- Business Systems Review 12.07%

Source: QA Business
What Clients Want Survey
The adjacent possible is a kind of shadow future, hovering on the edges of the present state of things.

Steven Johnson

Could client advisory be the accountants adjacent possible?
Advisory in Practice
Noun. 1. advisory service

- a consulting service in which an Accounting Professional develops findings and conclusions and recommendations that are presented to the client for consideration and decision making.

https://www.thefreedictionary.com/advisory+service
Managing Expectations
Bookkeeping & advisory

Data concierge
Collate, balance and proof
Advisory - Proceed with caution
Partnering up with accountant
Initiate conversation
Quality / Real time data is essential
Beware of the influential client
Business systems review

Client site visit
Workflow
Processes
Pain points
Bottlenecks
Technology opportunity identifier
Efficiency v effectiveness
Solutions
Discovering Insights by Creating Deep Client Empathy
Don’t look for people who have all the answers.

Search for people who strive to understand the question.

Billy Connolly
4 Biggest challenges of being a small business owner

Living with uncertainty
Always being on the job
Avoiding burnout
Balancing work and family

People don’t care how much you know until they know how much you care

Theodore Roosevelt
Creating empathy via shared discovery - The “Johari Window”

**SHARED DISCOVERY:** What if we could discover things together that neither of us knew.
Building out your toolkit
NEW MINDSET

NEW RESULTS
ENCOURAGE & EMPOWER
Solutions

Beyond the general ledger
• The BIG-6

Levels of market

Vendor selection
• Shared values / congruency
• Partner program details

Niche?

Maintaining your independence (3:2:1 rule)
The BIG 6

Thinking Beyond Core Accounting Engine
Collaboration
5 Laws of Advisory that Work
(if you work them)
Value \quad \text{Price}
#1 – The Law of Value

Your true worth is determined by how much more you give in value than you receive in payment
#2 – The Law of Compensation

Your income is determined by how many people you serve and how well you serve them
#3 – The Law of Influence

Your influence is determined by how abundantly you place other peoples interests first
AUTHENTICITY
#4 – The Law of Authenticity

The most valuable gift you have to offer is yourself
We make a living by what we get, but we make a life by what we give.

Winston Churchill
#5 – The Law of Receptivity

The key to effective giving is to stay open to receiving
Recommended reading

The E-Myth Revisited
(Michael E. Gerber)

How to Win Friends & Influence People
(Dale Carnegie)

The Go Giver
(Bob Burg & John David Mann)

Gung Ho
(Ken Blanchard & Sheldon Bowles)

The Difference Maker
(John C. Maxwell)

Winning the Battle for Relevance
(Michael McQueen)

The Future of the Professions
(Richard & Daniel Susskind)

Moments of Truth
(Jan Carlzon)
“Create More Value Than We Capture”
- Brian Erwin | O’Reilly Media
Progress is usually non-linear
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