



E-book

Debunking the top 10 myths about client advisory services

Sage

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No More Excuses



Introduction

Everyone is talking about advisory.

I've been doing it for almost 20 years, along with many others in the profession—Edi Osborne, Gary Boomer, Gale Crosley, Sandy Levya, Jennifer Wilson, Ed Kless, and more. The difference today is that industry professionals are finally listening. Changes in the world of accounting, mostly driven by rapid changes in the tools we rely upon, have forced us to finally take our heads out of the sand. We have to start delivering advisory services or watch our practices shrink. That doesn't mean it has gotten any easier to do. As accountants, the excuses are endless. We are consumed with compliance work. We can't find qualified people to do consulting work. We don't have time to learn anything new. And that's where these convenient myths come into play.

You can keep doing work the way you have always done it and rely on a myth of your choice for comfort, or you can get ahead of the changes coming and start delivering the kinds of services your clients want. So, let's take a closer look at those myths you've been believing.



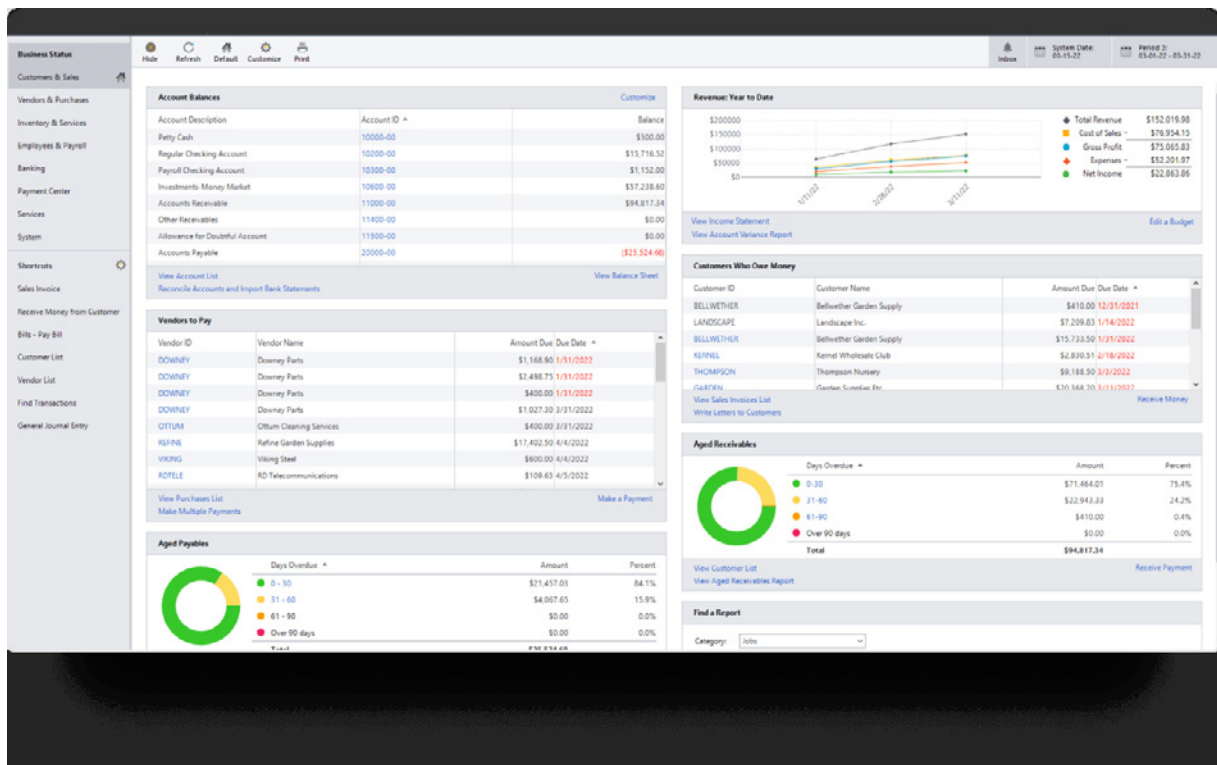
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Geni Whitehouse, CPA, divides her time between working as a winery consultant at Brotemarkle, Davis & Co in the Napa Valley, working with Mentor Plus to drive the accounting profession forward, and writing, speaking, and tweeting at EvenANerd.com.

Her mission in life is to make boring subjects interesting and she is seldom at a loss for topics.

She is a regular keynote presenter at CPA and Technology conferences around the country and has been named a Top 100 Influencer by Accounting Today, one of 25 Thought Leaders in Accounting, and one of the 25 Most Powerful Women in Accounting by CPA Practice Advisor. She was a member of the TEDxNapaValley organizing committee and was the first speaker at their inaugural event.

She is a co-founder of Solve Services, a remote bookkeeping business for the wine industry and is the author of "How to Make a Boring Subject Interesting: 52 ways even a nerd can be heard" which is available on Amazon.com.



Myth #1

It's all about finding the right (new) technology.

Software is important, but it is not Nirvana. Yes, the cloud is wonderful. And that cool new dashboard is all the rage. But it's what you are going to do with these tools—not the tools themselves—that matters to your client. While you are all excited about improving efficiency and AI'ing your way to the next cool insight delivered by Alexa from your refrigerator, your client wants to know if they can make payroll. You have plenty of tools to help them answer that question. Are you using them? Or are you researching forever without taking any action?

The Truth:

It's all about asking different questions. The technology isn't even the hard part about delivering advisory.

Rather than seeking an automated way to present "the answers" to your clients, you need to start asking more questions. Find out what matters to them. What do they care about? What are they trying to accomplish? What are their biggest challenges? What reports do they rely on for day-to-day results?

When you ask these questions of any small business, I guarantee cash flow is going to be at the top of their mind.

Take Action:

Hand them a cash flow statement like the sample above. Start having a conversation about their cash flow and the balance sheet items that impact the money they have in the bank.



Myth #2

I don't have time to start offering more services.

It is easy to be consumed in low-value, repetitive work. It's almost hypnotic to enter those journal entries, record expenses, and file paper invoices. But is it valuable? Are you providing better service to your clients as a result of those efforts?

The Truth:

You don't have time to wait. Start reducing your number of low value client engagements and make room for the higher value services you want to deliver.

Take Action:

Look through your client list and identify the highest effort, lowest reward clients and raise your prices high enough to make them start looking for another accountant. If they pay your new higher price, it might actually be worth the effort, and if they leave, you have room for new clients.



Myth #3

I don't have the right skills.

Advisory is an ill-defined mystery to most accountants. Since they don't know what advisory really is, they don't think they can deliver the services. Advisory starts with an inquisitive mindset and a willingness to ask questions you may not be able to answer. Start small by leveraging your documentation and inquiry skills, review client processes, and see what you can learn about a business. The consulting opportunities will almost magically appear once you begin your analysis. The skills you have are plenty to get started.

The Truth:

Start believing in your own value and knowledge. Those skills will serve you and your clients when you become their advisor.

Take Action:

Set up a meeting with your most proactive client. Before the meeting, review their financial statements and create a list of five top ratios or metrics that give you insight about their results. Start the meeting by asking them how they monitor their results each day, week, and/or month. Find out which reports they value (and how easy they are to generate) and which signs predict future trends.



Myth #4

My staff can't do this kind of work.

If you have hired staff for one role and now expect them to function in a completely different one, you may be right. But in many cases, your staff might just need training and guidance in order to deliver a new, enhanced level of client service. You might be jumping to inaccurate conclusions about their ability or interest in delivering additional services without giving them an opportunity to try.

The Truth:

You don't know until you ask them.

Take Action:

The first step is to find out who is interested. Ask your team if they would like to spend more time in front of clients and provide more proactive advice. Poll them for areas of special interest and then ask them to list three questions that arise for each client engagement. Once they begin approaching their work with what is referred to in Kaizen¹ as a "keen eye," they will start noticing different aspects of their client's data. It can be that easy to shift perspective on client service.

¹ Kaizen is a concept referring to business activities that continuously improve all functions and involve all employees, from the CEO to the assembly line workers. "Kaizen" is the Sino-Japanese word for "improvement."



Myth #5

I need to be an extrovert in order to be an advisor.

The people you hear from in most public forums are extroverts, which is the reason many introverts fear that they are not cut out for advisory. But the truth is, we need input from both types of people. Clients might be inspired by the extroverts, but they need the kind of leadership and step-by-step guidance that generally comes from the deep-thinking, good-listening introverts. Your ability to think through a problem and provide a thoughtful perspective is just what your client might need. Don't underestimate the power of your own inquisitive nature.

The Truth:

Your quiet, unemotional listening skills make you the smartest person in the room. But you must get out of your office and in front of people to make an impact.

Take Action:

Schedule an in-person meeting with your top client to walk through their operation with them. After the meeting, send them a follow-up email sharing your thoughts and notes about what you learned. Your observations alone might give them new perspective on their own organization and open up further consulting opportunities.





Myth #6

**It is an
independence
violation
for me to work
with clients
this way.**

If you are a CPA providing audit services to your clients, you might have to carefully consider the types of services you offer those clients. But if you are working with tax and other clients, you should have no such concerns. The opportunities are virtually unlimited.

The Truth:

Independence rules apply only to clients for whom you provide attest services.

Take Action:

Review the [AICPA Plain English Guide to Independence](#) if you have independence concerns about delivering advisory services.

Myth #7

My clients don't need my help.

Unless you have an unusual client base, the chances are good that your clients are struggling with at least one issue related to their financials. If they aren't reaching out to you for help, it is for one of two main reasons: They don't know you have the skills to help them address their problems or your hourly billing structure makes it cost-prohibitive for them to pick up the phone and ask for your help. In either case, the problem is that we accountants have trained them to not ask for our help.

The Truth:

According to the SBA, 20% of small businesses fail in their first year.

Take Action:

Review your marketing message and billing practices. Be sure to include information about some level of proactive service on your website and consider fixed-fee packages that include at least quarterly meetings to review your client's goals and results.



Myth #8

I need to be an expert in an industry.

Your client is the expert in their business. You are an expert in accounting. The key is to leverage that knowledge in bigger and better ways across all aspects of your client's business as you consider customers, operations, and people and their impact on the financial results. The point of advisory is not just to measure results, but to improve them. Your job is to help your client uncover their own critical.

The Truth:

You don't need to be an expert in your client's industry to help them apply their own expertise in new ways as they seek to build the business of their dreams.

Take Action:

Watch the Simon Sinek TEDx talk "How Great Leaders Inspire Action." Consider your own WHY first. Why did you go into the accounting business? Then invite your clients (or one client and his or her leadership team) to watch the video with you. Have a discussion about why your client is in the business they have chosen. Don't allow them to stop with "I am here to make a profit" as the answer. Get them to dig deeper to the emotional driver that is at the heart of why they have invested blood, sweat, and tears into building a small business. Once identified, the WHY becomes the basis for every other critical decision that they make in their business. The test is to see if their financial, operational, customer, and people decisions line up with their reason for being in business.





Myth #9

My clients won't pay for advisory.

If you have positioned yourself as a compliance-focused provider who bills by the hour, then you are probably used to having pricing discussions on a regular basis. No one wants to pay for work they don't understand or appreciate, especially when they have no idea how much time you are going to spend on their project until it is finished. When you shift your focus to really helping your clients achieve their business goals, the pricing conversation goes away.

The Truth:

You can re-educate your clients (and your own thinking) about the value of proactive advisory services. They don't want to pay for low-value, after-the-fact insights they don't understand.

Take Action:

Ask your clients the following three questions, document their answers, and schedule a follow-up meeting to go over their current systems and reporting requirements.

1. What are your biggest challenges?
2. What three measures do you rely on each day/week/month in order to see if you are on track with your financial results?
3. Does your accounting software support your needs for timely proactive information? (If not, you can help them by designing a new chart of accounts that better meets their needs, creating custom operational reports, or integrating with visual tools like Microsoft's Power BI for additional insights.)

² <https://www.sba.gov/sites/default/files/advocacy/Frequently-Asked-Questions-Small-Business-2018.pdf>

Myth #10

I don't know how or where to start.

Now that you have read this guide, you have at least 10 different options for getting started. It just takes one client meeting to get started helping your client with their business goals. With a little extra effort and a new way of looking at their business and financial results, you will be able to make a difference for your small-business clients.

The Truth:

You CAN start with some of the simple steps provided in this document.

Take Action:

Schedule a meeting with a client owner to go over her latest financial statements. Review two or three key results or ratios and then ask her to share her targets in each of these areas. Talk about the three bottom lines: Net Income, Operating Cash Flow, and Return on Net Assets and explain how they each fit together³. Ask to see her budget and then ask who on her team is involved in creating and monitoring the budget. Find out if it makes sense to conduct a brief financial training session with members of the leadership team.

³ Read *Managing by The Numbers: A Commonsense Guide to Understanding and Using Your Company's Financials* by Chuck Kremer, Ron Rizzuto, and John Case for more information on this topic





The bottom line

The myths have been proven to be just that—myths. It's time to overcome your fears and start seeking out clients who need your unique brand of help. Start small or go big, but just get out there. Your clients are desperate for your help. The world needs more empowered accountants like you who are capable of supporting the success of businesses.



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