

TECHNOLOGY STRATEGIES

Equip your firm for growth

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Good tools that can make a difference

Without technology there would be no Practice Excellence Programme.

This may be an odd claim for a practice management initiative centred around client satisfaction, but there can be no question that the services and personal touch that we advocate are greatly facilitated by the web, email, mobile phones, text, client portals, cloud accounting, CRM and practice management software.

Technology exists to make routine tasks easier so that you can concentrate on the activities that make a real impact.

This paper looks at the most commonly used client service technologies used by shortlisted firms in the 2014 Practice Excellence Awards. Drawing on this evidence and suggestions put forward by AccountingWEB members, the guide presents a selection of technology ideas that could make the biggest difference to your firm and the service it provides to clients.

Cloud accounting

The cloud was the most frequently mentioned practice initiative and was cited by 42% of the shortlisted firms this year. Some firms were content to present this online accounting capability as their USP, but for 31% of the shortlisted firms, cloud computing is not the end. They rightly see it as a means towards better client understanding and collaboration.

Aside from giving clients a less daunting tool for compiling their own books and resolving some of the niggles of desktop data exchange, cloud accounting provides a platform for presenting management information to clients (as 33% of Practice Excellence-shortlisted firms do), capturing

employee expenses as they are incurred (25%), acting as client companies' external finance department (17%) and supporting remote working within the firm (17%).

Some of these “advanced cloud” firms are also notable for the way they deploy associated applications including practice management software and web portals around their core online accounting systems. For Valued Accounting, using technology in this way allows the firm to stay close to its clients and keep in touch “24/7”. It is no surprise that many of these cloud pioneers were also the firms that have moved farthest from pure compliance to advisory work.

Case study

Cloud accounting at Pillow May

“We use multiple integrated software solutions, which save us and our clients huge amounts of administrative time – their second most valuable resource after cash flow,” explains 2014 Practice Excellence Technology Champion nominee Jessica Pillow.

“Being fully paperless allows us and our clients to work anywhere in the world, while systematic workflows built internally allow our team to focus on client service. The firm also maintains a secure client portal on its website to let clients to access their documents and electronically authorise accounts and tax returns at any time.

“The workflow system reduces administrative time and reports any blockages, enabling us to hit our accounts turnaround guarantee.

“Our innovative approach to the cloud is not just about helping our practice run more efficiently, we want our clients to enjoy the benefits of cloud software too,” she adds. To this end, the firm has developed packaged services including “Get the Picture”, real time reports that deliver at-a-glance financial data, and “My Business on my Phone”, an app that captures expense and invoice figures and feeds it directly into the client’s cloud accounting system.

Pillow claims that the firm’s cloud expertise fuelled its 51% growth during the past year, adding, “95% of our clients use cloud accounting software for their businesses.”

Management information

As the Pillow May case study illustrates, the collaborative cloud accounting model comes into its own as a platform for delivering regular reporting packs to managers, or for prompting strategy and profitability reviews – activities that were carried out by a third of the shortlisted entrants in the 2014 Practice Excellence Awards.

Taking things a step further, 17% of the firms helped clients devise key performance indicators and then made it possible to track those measures via some kind of reporting dashboard.

This year's innovative firm nominee, The Tax Guys, added a new workflow stage to this part of its regular accounts preparation work for clients. Each time they complete the accounts, their software creates a profit report highlighting strengths and weaknesses for the client. In one instance a client was able to identify potential profits worth more than £11,000 by changing their staffing mix. Client businesses find this kind of proactive advice really useful, and the firm reports that this episode alone generated three good quality referrals.

Technology alone won't surface the insights, nor present them to the client in an easily digested way – but this is where an accountant can act as a business guide and use software tools to present financial information that will stimulate conversations and point clients in new directions. Once they get a taste for data-driven advice, they may be interested in deeper explorations of the numbers. Milsted Langdon's BI expert Chris Downing goes further and urges accountants to look for opportunities to teach clients how to do this for themselves.

Training on tools such as Excel and application-specific reporting tools is a great first step into business advisory services. Some might fear the possibility that it means giving away trade secrets to the client, but if business benefits from better decision-making you will reap the rewards.

The more numerate and tech-savvy clients get, the more receptive they will be to higher value advice you may offer.

Social media

Not surprisingly, social media is an increasingly prevalent aspect of modern accountancy practice, and was mentioned by a quarter of the firms shortlisted for the Practice Excellence Awards. Yet only one entrant backed their assertion with statistical evidence that convinced the judges it was achieving measurable results from social media activity. This was a blind spot that may point to an underlying weakness around client relationship management (see below).

Based in the North East, Valued Accountancy underwent a rebranding during the summer and focused more attention on its cloud accounting services and marketing profile. The overhaul extended to the increasingly common practice of fixed price packages, which it publishes on its revamped website, to which it lures visitors with a regular stream of blogs and supporting posts on Twitter, Facebook and LinkedIn.

“When clients call to enquire about particular service packages there is no need to discuss price, resulting in a 92% conversion rate,” the firm reports.

Case study

CheapAccounting's content marketing

When starting CheapAccounting.co.uk, Elaine Clark looked at the diminishing returns as rival firms all chased the same target, and took a different route that started with her firm's controversial, but memorable name. Her iconoclastic strategy continues to bear fruit after nearly 10 years of growth.

"Our reputation and credibility has been established entirely through the use of content marketing - the creation and sharing of informative content to acquire clients," she says. "We do not advertise, pay for leads, use AdWords or pay for SEO."

Instead, she drives traffic to the firm's website through blogs and articles supported by energetic activity on Twitter. @CheapAccounting has more than 4,000 Twitter followers and the firm's web site attracts 750,000 hits per month from 21,000 unique visitors.

She adds: "Our use of social media and content marketing means that we have a nil marketing spend. Nevertheless we continue to grow and our brand is becoming known by both clients and the accounting community alike."

Client document portals

Paperless practices are increasingly the norm, with more than one in five entrants (22%) mentioning their use of electronic document management technology. Like cloud systems, there are first steps involving document scanning scan that save space and speed access to files by making them available electronically. Those advantages have an effect on client service, but are mainly experienced internally.

But what is becoming increasingly clear is the way online document portals are being used as a supplement to give clients exactly the same kind of instant, online access that paperless accountants already enjoy. Nearly one in five (19%) of the Practice Excellence community included web portals as part of their client service offerings.

As Pillow May explained simply, “The client portal on our website allows clients to access their documents securely and electronically authorise them, regardless of where they are in the world.”

Client Relationship Management

If there was a shadow over the profession’s technology habits, it may fall on marketing, where the profession has historically lagged behind other industries. That tendency is still there, as client relationship management initiatives were only cited by 13% of the 2014 Practice Excellence Awards contenders. Medium and large firms made no special mention of such techniques.

But there was evidence of firms collecting client survey data (31%), cultivating referrals (28%) and grading clients (22%). The best way of bringing this kind of information together is in a database linked to client/prospect records and contact histories. It may well be that that forward-looking accountancy firms have already embraced CRM techniques to the extent that they no longer consider them to be noteworthy.

But there is another interpretation of the apparently low status of CRM within accountancy. While firms participating in the Practice Excellence Programme confirm the shift from compliance work to more pro-active, higher value business advice is accelerating, only a handful of entrants documented a growth model that others might be able to adopt.

Accountancy is based around the personal relationship between adviser and client, and the unique qualities each has to offer. The accountant expert in hospitality industries, or with a particular penchant for KPI reporting will obviously build their firm around those strengths and attract clients who are best placed to take advantage.

Even among shortlisted firms, many client service initiatives could be classified as common sense efficiency ideas, well executed. Only a minority presented data that indicated they had a systematic system to manage prospects, referrals and conversion rates. This is precisely the purpose for which CRM software was designed.

The Tax Guys explained in their submission for the innovation award how the personal side of the client relationship can be enhanced by good underlying technology. The introduction of CRM took the firm's interaction to a whole new level of interaction by automatically identifying clients who hadn't been contacted for a while. "A number of clients identified and scheduled for calls were pleasantly surprised with the mere keep in touch approach adopted by the firm," they reported.

Next steps

The lessons that emerge from this survey is that the most successful firms are embracing technology where it can make a difference to client service.

Without exception, the firms cited in this report also confirmed that the paperless, practice management and online collaboration tools they have introduced have given team members more time to focus on more rewarding profit improvement work with clients.

As The Tax Guys put it, “The firm could not significantly enhance clients’ lives and make their businesses less taxing to run, without embracing innovation and new ways of delivering our services.”

Are you doing enough to keep up with this rapidly growing tendency within accountancy?

Not all technology initiatives are guaranteed to deliver these results, so it is important to research the possibilities and match them to your firm’s requirements. This is exactly the same kind of needs assessment that a tech-savvy trusted adviser would be offering to their clients to ensure they are taking advantage of the efficiencies modern technology can bring.

This guide has pointed to some of the steps taken by other, successful accounting firms. To start developing your own firm’s technology direction, review some of their examples and see where the techniques they have adopted might apply to bottlenecks or inefficient processes within your practice.

The Practice Excellence whitepaper series

For the past three years, AccountingWEB has surveyed more than 6,000 clients of accountancy firms as part of our Practice Excellence Awards programme. Their feedback has shaped the evolution of this initiative, which now encompasses on-going client satisfaction surveys, an annual conference and the whitepaper that you are now reading.

Thanks to sponsorship from SAP and its business partners, we will be publishing a series of **Practice Excellence** guides covering key aspects of business development and growth. This paper presents an overview of the programme and introduces the topics that will be covered in future papers:

- Client focus
- How to become a trusted business advisor
- Equip your practice for growth
- Little things you can do to make a big difference
- Winning new clients