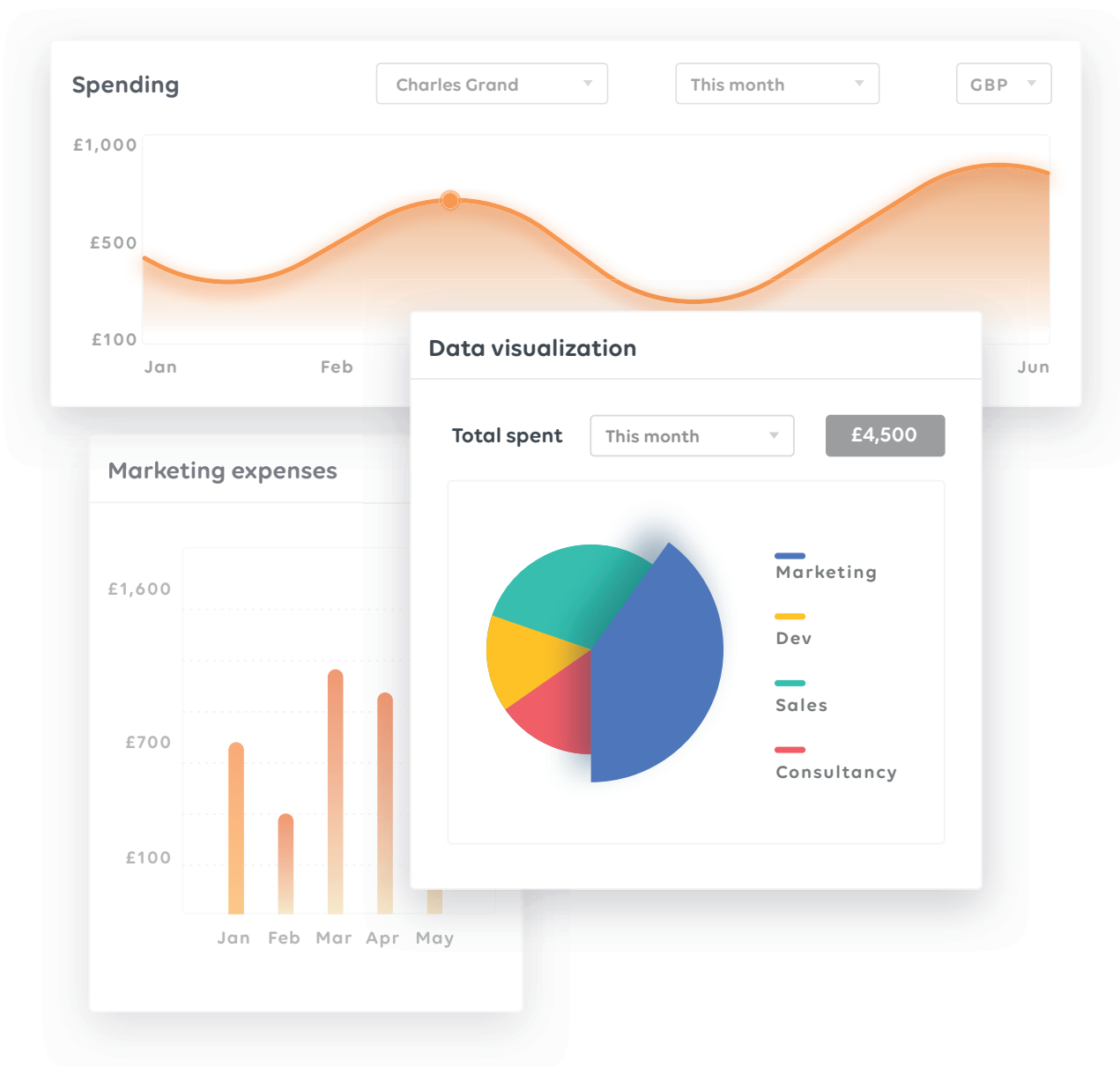


Delivering live accounting with real-time data

Find out how Farnell Clarke is deepening client relationships using a new approach to client data.

By Will Farnell



Alright – it isn't real-time data, but it can be live

Access to the right data is essential. It's not real-time, and never will be, but data can be live. That is, it can be so close to real-time accounting that it enables our clients to make informed, timely decisions based on data that inspires confidence.

Setting the scene

Every accounting firm in the country has the same key CSFs. Filing accounts on time, getting them right and helping the client manage their tax position are common to everyone. But things have changed, we are now coming to a point where simply managing for compliance and tax position is not enough.

Only those with their heads in the sand will be blind to the new breed of disruptive entrepreneurial accountants. They're using re-engineered processes and new technology to provide cheap basic compliance. They run firms on one pitch, and one pitch only – that they can deliver premium-priced services more effectively and for less money. They've exploited an opportunity to develop a cost-leadership model and build the slickest, most cost-efficient way to keep people compliant. But this isn't the only model in town. Some clients don't want that because they know the cheapest model offers least, and it might not be sustainable. Those clients want more.

Meanwhile millennials, who will form 75% of the workforce and a sizeable proportion of clients by 2025, have different expectations and lifestyle priorities that can't be met with traditional means.

These are big incentives for us to update our offerings, deepen our relationships with clients and lay down foundations for a thriving practice over the coming years.

What does this mean

Let me be clear: accountancy is changing. Billing by the hour is no longer an option when the client can clearly see that the compliance process is automated. That's why we need to shift from compliance – which, while it will always be central to our work, will no longer earn the big fees – to advisory work.

Innovation is about process, technology and, above all, people. It's important to ask ourselves how we're making sure we get the best outcomes for our clients, and this reflects a shift in both thought and emphasis.

We need to differentiate, we need something that enables us to be different, to help us guide client expectations away from time-based charging. And here's something I've discovered – when we start a meaningful conversation with our clients about what else we could do, they are universally receptive!

To be truly useful we need to become as familiar with client needs as long-ago accountants were. And we need to use this familiarity alongside modern tech and processes, using Soldo to capture employees' expense purchases; deploying invoice scanning and capture services; exploiting accounting and compliance services, and more. With these foundations, we can provide fast and relevant information to our clients when they need it, and we know we have timely data of the right quality, so we can anticipate client needs and provide valuable information to support their daily business decisions.

You see, only some clients are happy with basic services. Most want more from their accountants, and this is a significant business driver. Some clients will always value a relationship with a firm that allows them to turn up and sit down face-to-face with someone for a meeting, or to call and chat whenever they feel the need. These clients will never be influenced by cost leaders – or, if they are, it will only be peripherally. It's important to understand what they perceive as value, so we can deliver it.

With the right relationship and live data our clients would come to us first with every business question. We might not currently be able to deliver the answer every time, but with live accounting, good planning and great client relationships, this could happen. And live data, which is as real time as possible, is how it works. After all, what value is it to anyone if we realise someone's exceeded a VAT threshold nine months after it happens!

How we do it

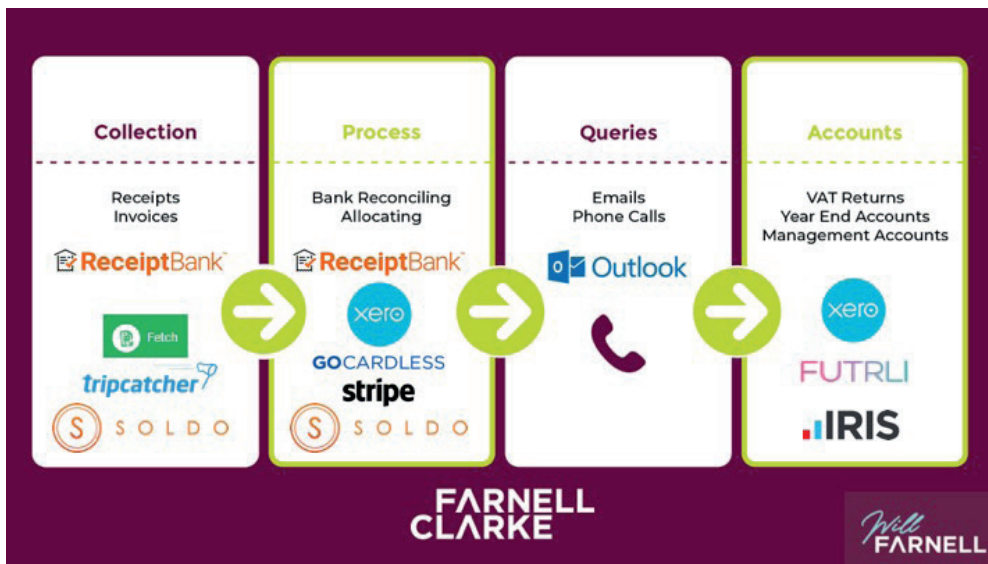
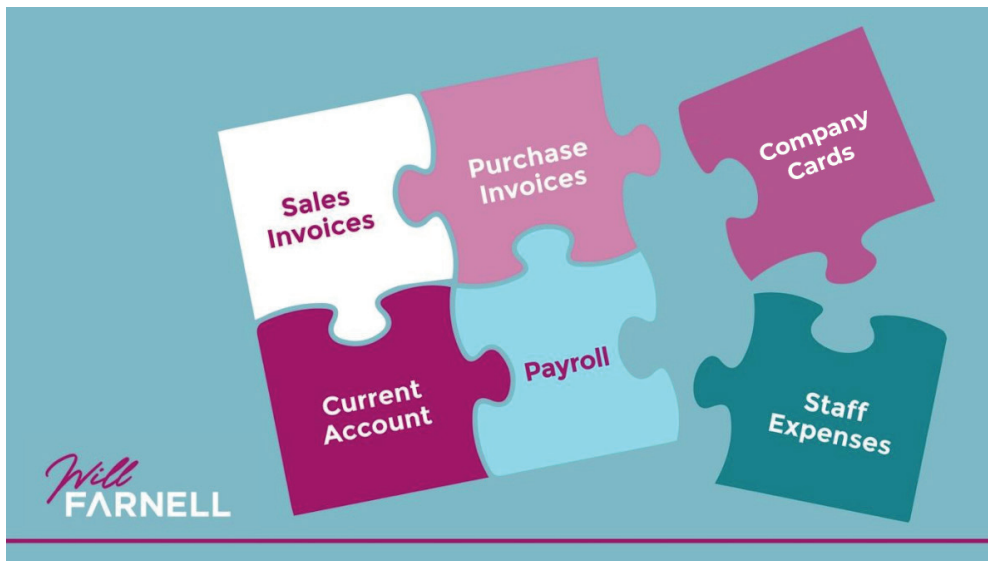
To do this we need to address these areas:

1. We need to adopt a fully digital practice, using tech that facilitates not just live data production, but the fast customisation of reports, and that fosters a consistent supportive relationship with our clients;
2. We need control of that data within the firm's processes (following a transparent and repeatable set process enables economies of scale, clarity of responsibilities, and the confidence that our data is of sufficient timeliness and quality to provide valuable insights to our clients);
3. We need regular, consistent communication with our clients, built into the firm's processes as part of our services from the start.

All three of these areas can be efficiently delivered to our clients by bringing bookkeeping in house. Combining the right tech, the right process, and the right people doing the right bit of the job at the right time will deliver deeper client relationships.

Our clients deserve daily bookkeeping services that result in live accounting. This allows our clients to have the data they need to make the right business decisions. And with us – the accountants – delivering bookkeeping in an efficient and cost-effective manner, we give clients time to invest in growing their business.

The following diagrams depict the process we adopt at Farnell Clarke, showing how Soldo will deliver the missing pieces of company and staff expenses. Together with our existing processes, tools and team, Soldo will help us provide a fuller picture to clients daily.



Benefits to the firm

From managing the data in firm (our staff average four minutes per day clearing transactions, and the automation itself saves the client bookkeeping fees) to providing value-added apps through select vendor tech and APIs, we can provide cheaper compliance along with value-added services.

Using smart automations, from data acquisition using Soldo and Receipt Bank all the way to final reporting, means more time for client relationship management and better demonstration of value.

With MTD, HMRC are building towards a regulatory environment that will effectively penalise practices that have minimal automation. For those practices, compliance reporting four or six times a year will be horrendously time-consuming. It's simple: fresher data means fewer penalties.

In summary

Our client's deserve daily bookkeeping. Why? Because they deserve a superb client experience. We can deliver this service to each client profitably and effectively in as little as four minutes per day – as long as we pull together the right technology, underpinned by the right processes and team structure.

As a result, our clients get more time to deliver great experiences to their own clients. We, as a firm, will see awesome client relationships, meaning our clients love us more. And if you can deliver this in your firm, you'll have a significant competitive advantage over any competitors who are yet to effectively utilise automation for great client experiences.