Advisory Cheat Sheet

Questions to Ask Clients in Advisory Meetings

- [ ] If next year is (about the same / slightly better / slightly worse) than last year is that an acceptable position for you?
    - [ ] If not, why not? Is the business / structure prepared - liquidity / working capital / physical space / warehouses & offices / headcount
    - [ ] What needs to change?
- [ ] What will have the biggest impact?
    - [ ] Who will be responsible?
- [ ] What does success 12 months from now look like and where is the plan to get you there?
- [ ] Can you afford NOT to know the impacts of your business decisions before you make them?
- [ ] What is your number one priority for this business during this fiscal year?
- [ ] In order to make better, more informed decisions, what is the most important and useful information that we can provide you with?
- [ ] What's the biggest challenge you are having in your business right now?
- [ ] What is the most important aspect of your business?
- [ ] Based on where you are year to date and what I know your goal is, what types of strategies are you looking to implement to meet that goal?
- [ ] What are your most important non-financial goals right now?
- [ ] Who will be making the final decisions on this project and who will be in charge of implementation?
- [ ] Is there anything that you or your employees are doing that may be getting in the way of achieving this result?
- [ ] Can you tell me what your ideal client looks like?
- [ ] Do I have the most up to date information on your financial situation? What can I update? If you're not on track, what are you willing to change to get on track? What won't you change?

Tips for Engaging in Advisory Services

- It is great to **start off simple** and introduce Spotlight to just a handful of your clients.
- You could start off with preparing a profit and loss statement and a balance sheet and showcase these to your clients then you may introduce more specific statements such as a cash flow analysis.
- Offer a **Board experience** with Spotlight Reporting, build a pack.
- Do a **surprise and delight dashboard promotion** alongside annuals and gst returns.
- **Explore a scenario** - implicate / demonstrate how you can help this come to pass.
- You can provide a **dashboard along with your gst or tax clients** to upsell BAS.
- Spotlight has the functionality to provide **Wealth reporting** as an addition to reporting, forecasting and dashboard reporting, so for those sole traders or family trusts that might just be receiving a tax return every year, you could provide wealth reporting.

Keys to Growing your Firm's Advisory Team

- Firms that **have a plan** and are in motion do much better than those that are paralyzed through procrastination.
- A **roadmap** provides direction, establishes priorities, and assigns initiatives
- **Execution is the ke**y and comes from increased accountability.
- Develop a **menu of services** from all three areas: compliance, performance and strategy.
- Your clients don't know what they don't know.
- **Define your target clients** and focus on providing them expanded services. It may be necessary to terminate a small portion of your clients to free up the capacity to provide more performance and strategic services.
- Be prepared to **Fire clients** when needed. Clients that helped get you to your current level may not be the clients that will help you sustain success and remain relevant.
- As a trusted business advisor, you are able to provide clients performance and strategic based services packaged with compliance services faster, better, cheaper and more easily.
- Hourly pricing does not always work with advisory services. It is important to **determine scope and the value** to the client before recording time.
- Using a **pricing matrix** can provide guidance with regard to scope of services, target clients, staffing requirements and pricing. A good rule of thumb is 2 percent of revenue (e.g, $3 million x 2 percent = $60,000 or $5,000 per month). Would you rather have five clients who bring you $60,000 each, or prepare 100 returns at $100 a return?
- **Diversity makes a firm more valuable and innovative**. Value should be added by the entire team, not just accountants. In fact, the largest firms are now employing many non-accounting graduates for advisory services..

25 Topics to Consider

1. Revenue
2. Strengths, Weaknesses, Opportunities, Threats, Stability, Risks, Pipeline,
3. Key Performance Drivers
4. COGS & Opex
5. GP %
6. NP %
7. Tax
8. KPIs (Financial and Non-Financial)
9. Liquidity Measures
10. Solvency
11. Business Structure
12. Risk Profiles
13. Investment Strategies
14. Capital restructures
15. Resourcing Capabilities (could include Staff, Office space, Warehousing, Stock, Supply Chains)
16. Budgeting
17. Cash Flow Forecasting
18. Cashflow Management
19. Scenario Planning
20. Pricing & Debtor Management
21. Cash Management Policies

22. Debt and Capital Reviews
23. Merger & Acquisition opportunities
24. System Review
25. Consolidation