

# Remarkable Practice

inspiring remarkable results  
in your accountancy firm

## Alex Davis

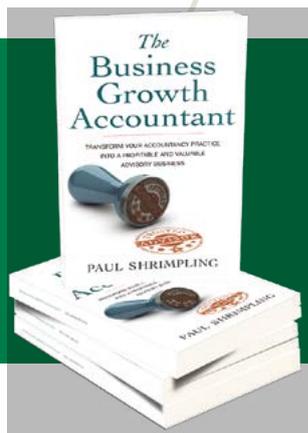
Business Development Manager, Intuit



There is a huge amount written about how the accountancy profession is, and will be changing. This is driven by a mixture of things but technology is at the centre, with the accountant moving from a number cruncher to a trusted advisor.

My passion is to make a true impact with large accountancy firms and by working together we will create a clear strategy for your cloud proposition, ensure you know your client base, bring efficiencies to your processes, build staff capability and maximise advisory conversations with your clients.

Alex shares his experiences with Paul from his work at Intuit and the top 100 firms in the UK. He shares his observations of the trends and patterns of change in their businesses as cloud accounting becomes the norm.



## Alex Davis

Paul Hello, it's Paul Shrimpling here and I'm joined today by Alex Davis of Intuit. Welcome on the call Alex, thanks for investing some time in this.

Alex Thanks, Paul.

Paul It's good to have you on the call. To begin with, Alex, can you just share with me your role, your position, your responsibilities within Intuit, just so I can put all of this information you're going to share into context, please?

Alex Yes, sure. So, I work within the business development team in the UK office at Intuit. So, we're based in London. My specific role within the business development team is to look after our relationships with our top 100 firms, that's the top 100 firms as devised by the accountancy age. So, based on revenue, so that's everyone from the likes of PwC at the top of the tree down to a firm with around about 4.5 to 5 million pound turnover is a firm that sits at number 100.

So, they are larger firms that we work with and Intuit has two ways to market within the UK typically, that's direct to small businesses with Quickbooks Online being the main product, or we also work with our channel partners in the accountancy world.

So, specifically working with accountants, helping them prepare for the changes that we see on the horizon with various factors feeding into that, and it's making sure they've got the tools to cope with that change. So

most of my time is speaking, consulting, with those larger firms and practices.

Paul And does that tend to be face to face with them, Alex?

Alex A mixture of the two. So with modern technology the way it is these days and obviously the geographical spread of a number of these firms, some of these are done via technology using video conferencing, using telephony and various other means. But a number of the interactions, I mean you still can't replace a lot of that face to face contact with some of the work that I do. So, yeah, it's a split between the two.

Paul Okay, brilliant. And how long have you been in this role?

Alex So, I've been in this role now, I've been with Intuit for over three years, three and a half years. I've been in this role now for a year and a half.

Paul Right, okay, so lots of discussions, lots of calls, lots of meetings with top 100 firms around the changes that Cloud accounting, quarterly reporting is bringing to the game. You're being influenced directly by the business owners who are wanting to go down the Cloud reporting route, and also the accountants leading the way in terms of convincing their business and the clients to take Cloud accounting seriously.

Alex Exactly right.

Paul Right, so I want to narrow the focus across all the firms you work with because what I specifically want to tap into is the insights you've had with the firms who you'd consider to be serious players in that business advisory space. So, not just accountancy; they're actually delivering paid-for business growth accountancy style work.

And the interviews I've conducted with the firms and commentators like yourself, Alex, have been entirely focused on those firms who are doing minimum, say, 100 grand but could easily be a million or multi-million pound in fees on advisory, business growth advisory. Now, they're few and further between than classic accountancy firms, clearly.

Is it easy for you to distinguish across the firms that you've worked with the ones that are really very much focused on and passionate about and determined and deliberate about working in that business advisory space? How easy is it, across that top 100, to actually identify those who are and those who aren't? They may all be in, I don't know.

Alex I guess it's a concept of advisory in terms of what's meant by that terminology and obviously none of the larger firms will have consultative arms to them behind consultancy work, which can vary in remit. But looking at the firms that are looking to build advisory and do advisory for the smaller side of this, so for the SMB side of it, which I guess is obviously one of the hot topics now within what we're doing, being brutally honest with you I don't see a huge amount of those firms being highly successful in that area.

Paul Really?

Alex A statistic I saw recently is 87 per cent of fees still are attached to modern day compliance work.

Paul The core accountancy work?

Alex Yeah, and literally I could count two, three firms that are doing it very well. I think you hit the nail on the head in terms of the word that you use around deliberate – having a ‘deliberate’ intent to deliver advisory services. So I think where I see a lot of confusion within the market is where firms will either make a panic reaction to what’s happening and see the commoditisation of compliance work and the squeeze on those kind of costs and then move straight to advisory and sign up to the latest piece of software that will allow them to produce the advisory boards and allow them to share KPIs and benchmarking data and that kind of thing, and immediately assume that means that they’re now in the advisory space...

Paul Yeah.

Alex ... versus the firms that actually are very deliberate with the intent around advisory and completely shift their mindset to how can I sit down and not have time based conversations with clients, not be looking at the watch

actually, being able to understand the pressures, the challenges and everything that those (business owners) are under? And then look at tailored solutions to be able to essentially look after those business needs.

Where I am beginning to see, interestingly, a good level of success is where ironically a number of the firms are beginning to automate at least the tools and the resources that they have to offer that advisory work. So whereas before they would go into a meeting with the client looking at a balance sheet or backward looking rear view accountancy type of tools, I am beginning to see a good level of standardisation around 'this is the kind of client experience that we want to give our small businesses.'

This is the kind of thing that we want to go into and talk to and have a deliberate conversation with staff, with themselves, to say "Well, let's start from what kind of experience you want to deliver to the customer rather than let's start from how can we get more advisory fees? How can we improve our fee recovery? How can we improve our whip and those kinds of things?" Actually, let's start with the kind of client experience that we want to engage. Let's take inspiration from Amazon. Let's take inspiration from other areas of the world and start saying, "Well, actually, what kind of client experience do we want to give?"

That kind of mindset shift now I'm beginning to see is really making a difference now with certainly some of the larger accountancy firms that do have very much a kind of compliance and audit view on the world. They are beginning to say and to recognise that they're now operating in a different world and whereas before they were being compared to other accountancy firms, now actually the service and the experience they get

from the accountancy firm is being compared to what they get in other industries and other debates.

Paul Yes, and even in the consumer world as well as the business world, I guess?

Alex Absolutely right, yeah.

Paul So in terms of you seeing firms pursue a client first approach, for want of a better description, investigating and making decisions on the type of customer experience they want their clients to have, what conclusions are those firms reaching that start to steer the behaviour of the firm? How is influencing their behaviours, I guess is a better question?

Alex I think it's influenced their behaviours in terms of just understanding that clients will often judge an experience based on the way that they feel and the confidence that they have coming out of that. So whereas before an accountancy firm may encounter an interaction with their client in a way of actually what check boxes do I need to go through with this customer? How can I cover that? How can I make sure I'm giving the right advice? And they start with almost a... sometimes healthy, but certainly a paranoia of what they should be saying or what they should be sharing in that interaction. Actually, they're now flipping that round in terms of saying, "Well, what are the softer parameters? What are the soft things that we should be looking at with this client?" And actually looking at generally the

experience, the client experience in its truest sense. Not the client experience in the sense of does the client now have complete peace of mind that their year-end work is going to be done correctly? Actually, does that client feel better about life after the conversation that we've just had?

We look at things like NPS scores within Intuit. I don't know if you're familiar with NPS scores are?

Paul Yes.

Alex And I'm beginning to now see accountants saying "Well, how do we evaluate and how do we look at the KPIs surrounding the customer's general level of confidence and their attitude towards us and their recommendation?" Would they recommend us as an accountants practice in terms of what they're doing?

The other areas that I'm seeing is changing job titles and this is something that I think has been around for a while whereas before everyone would look at themselves as I'm Accounts Senior, I'm Accounts Junior, I'm an Associate Director, I'm a Partner. Actually client advisory work, customer experience, I'm seeing within accountancy firms whereas actually they would literally call themselves the kind of things that they aspire to be. So Client Experience or Head of Advisory or even seen – and I don't necessarily advocate it – but Profit Guru and things like that.

Paul Yeah.

Alex But there is some mindset shift there around actually how do we define ourselves, what's our purpose and what do we call ourselves and how do we show up and represent ourselves with clients? I think that is something I'm beginning to see creep in, not in any kind of buzz sense.

Paul I know what you mean. It's naïve of me to talk about, there's an obsession with accountancy work in accountancy firms. Are we now seeing that shift from rather than it being an accountancy obsession, it's actually customer care obsession or client care obsession, of which part of the deliverables is accountancy?

Alex Yeah.

Paul So you're seeing indicators of that but not necessarily a stampede?

Alex No, absolutely, and again it's rhetoric at the moment. I'm not seeing... When you go and speak to a number of the firms, it's this is the direction of travel we know we should be going in and they will go away to conferences and they will get buzzed up by that, come back into work and then default tends to kick in and they go back to what they were doing before.

I hear it, I don't see a huge amount, certainly in the larger firms just because they do tend to be working in silos.

What's happening in a number of the larger firms is they're setting up these sub-brands around Cloud accounting and advisory work. They talk to SMBs, but then as soon as they come out of those sub-brands, as soon

as they come out that particular domain and into the larger firm where they might need tax advice or more specialist advice with the client...

Paul            Yeah, in the corporate world.

Alex            Yeah, it goes back into the old way of doing things.

Paul            Same old, same old.

Alex            Yeah. Do I see it at a big level? No, I don't, but I do see... I think what we're seen now is the understanding that change needs to happen.

Paul            Right.

Alex            That level of commitment is "Yes, I should be doing something about this." The next level is 'want' and then the next level from there is 'must.' I'm seeing the 'should' and a little of the 'want.' I'm not seeing the 'must' in terms of the level of commitment to it.

Paul            I'm having two conversations with the firms that I act in an advisory capacity with. One is on the 'how do you re-engineer your firm around quarterly reporting using Cloud accounting to make it timely and easy and factoring outsourcing and the apps and so forth?' That's one conversation.

The other conversation is the 'in theory, that process will deliver or free up time across your key people. How are you going to invest that time and either are you going to need less people or are you going to invest those people and those people's times in delivering a higher value of service that justifies higher fees, delivers greater value to the client and that onward, upward spiral is a result?"

Alex            Yeah.

Paul            From what you're saying, it sounds as though there's thinking happening, some desire happening around that deliver a better client experience. Advisory is going to be part of that, but actually we've still got our firm embedded all desktop accounting processes that we have yet to shake hard enough to move towards Cloud accounting.

Alex            Yeah.

Paul            So we're still in the re-engineer the firm piece, and then free up the time so that we can do advisory because if we haven't got the time, there's no point in having an advisory conversation, is there?

Alex            Yeah, absolutely. I think what we're seeing is – and I think the reason behind it, being brutally honest – is I don't think the accountancy industry has been nearly as disrupted by technology and the way things are

moving, as other industries have. You look at the likes of estate agents and sharing video content, travel agency side of things, incredibly disrupted by technology completely changing the way that they do business, and I don't think we've seen that level of disruption in accountancy yet.

I think the other thing that we're seeing – we've got a new way of looking at the world in Intuit or a new way of describing this – and it's a kind of five steps to digital where we look at the five steps that you need to go through to be able to really truly make the most of the technology and the disruption that's happening in the market to make it a very, very positive thing. Those five steps start with (1) a vision and a purpose and an understanding of what you're trying to do within the digital space and within the practice, and I mean 'digital' in the whole sense. I don't just mean Cloud accounting. I mean, how do you modernise your processes and your systems? How do you look at the way that you engage with your clients? How do you look at the way you set up meetings with your clients? How does the whole process within your firm make the most of technology that's happened?

That first part is the vision and understanding of the purpose of why you're trying to do it and then (2) you are looking very much at the segmentation and looking at your existing client base. Do we understand our existing clients well enough to speak to that vision and understand that vision?

(3) Then we look at creating efficiencies within the firm, so let's look at all our processes. The amount of times we go through that with firms and they still have highly paid partners doing very low level work, chasing work

or training clients on software, those kind of things. So are the processes and efficiencies right?

(4) Then we look at capability building based on those three factors.

Wherever those gaps are, what plugs do we need to put in place and what gaps do we need to fill in terms of the capability? Is it software training? Is it making sure that we redeploy staff members? So do we have onboarding specialists rather than having a partner do all of that work? So re-engineering in the way that they do that.

(5) And then the final part is then how do we make sure that we have the right conversations with clients and are truly an advisory led firm? What we're finding is you can have the firm doing that visioning and purpose bit and then they go straight to the advisory. We need to have better margins. We need to understand, "Okay, we feel we should go to advisory. Let's buy some software that will let us do that and great, now we're an advisory firm!" And actually, what they don't understand is those segmentation, that process efficiency and then the capability building piece. They miss out those three steps and just go straight to the last one – and you know what? It doesn't work because it's still an inefficient process. It doesn't make the most of technology and they haven't got the capacity to really have those conversations.

We're beginning to see it under that lens now and those five steps are really, really essential and I think that's the message that we're certainly trying to get out.

Paul           Have I got the five steps? It's the visioning, segmenting, process efficiency management, capability training, skills, uplift and so forth, and then how does all of that then influence the client conversation?

Alex           Exactly right.

Paul           Okay. Cool. Am I alright repeating that in the book, Alex?

Alex           Yeah, of course. We will talk about it at Cryptor's Connect and we've been talking about it for a while.

Paul           Right, super. So it's in the public domain anyway?

Alex           Yeah.

Paul           What you talk about there is get the fundamentals of the firm correct and healthy, the foundations that enable you then to grow the firm around a new way of working.

Alex           Yeah, that's very much the concept. We talk about platform. You can jump higher from a fast earning platform. Unless you get that platform in a good way, in a good state, as very robust as possible, then actually

you're going to jump it all over the place and not as fast as you could be jumping. There's all kinds of metaphors that you can use.

We reflected on this over the last six months where we're just saying, "How is just rhetoric at the moment? Why is it just rhetoric at the moment?" And we reflected on the process that our firms, especially our larger firms because the smaller, more dynamic firms can make change quicker and they can deal with change quicker, but the larger firms – why are we not seeing the level and acceleration that we should be going through? And whilst people can point at MTD and say, "Well, it's kind of been kicked into the long grass and we're not sure," I kind of think, "Well, you know what? I think that's not it." I think it's actually just the fact that change management in a global sense, in its entire sense, is not something really that these firms are particularly comfortable with.

Paul            Indeed. Well, I'm not sure anyone is comfortable with it, but your caricature of an accountant, you would argue is even less comfortable with it.

Alex            Yeah.

Paul            Their desire to stick to the system that's always run and always looked after them and made them comfortable is a hard one to let go.

Alex            Yeah.

Paul            Alex, you mention maybe two or three or four firms who have really got to grips with probably the technology and then advanced into that business growth accountancy space. I want to investigate, even if it is only one firm, it's understanding what and how they do what they do, which can then guide and influence other firms. And so I just want to, if I can, get you to hold those firms in your head or one particular firm – probably the strongest firm in your head and answer where we go next, which is positioning wise to begin with, how are those firms positioning themselves? Is it accountant or is it advisory or whatever label we want to give it? I've deliberately avoided the word 'advisory' on the book title and gone 'business growth accountant.' Let's have a business growth conversation.

Alex            Yeah.

Paul            But ultimately everyone seems to be comfortable talking about advisory, which can mean many things to many different people. But in my head is they're sat down with a business that's compliant and they're asking a number of questions, listening intently, hearing one or two of the issues and chewing over possible ideas for fixing those issues, results in the client making a decision, taking some action and growing a business.

Alex            Yeah.

Paul            So there's one or two or a handful of firms who are having those sorts of conversations. What I want to know is, is it something that they're adding? Is it a bolt-on to the existing firm or is it a core part of their firm?

Alex            I think the first fundamental point is mindset shift and being very honest with – do our client facing team – and it's starting with the team and just understanding and having a reality check. They'll set new goals and they'll set the aspirations around "Actually 50 per cent of our fees want to be coming through advisory," or "Fifty per cent of the time we want to be sat in front of the customers speaking about the future." They'll set those kind of parameters and those goals and 'this is where we want to be and this is the work we want to play in.'

They then kind of miss out the reality part around, "Okay, well, that's where we want to be, but where are we right now? What are we doing right now with our firms and where are the gaps?" Typically you'll look at pockets – and again I'm thinking even in my head about the firm that I think to myself, "Actually those guys are doing it pretty well" – but there are still pockets of excellence and there are still pockets of less than excellent, shall we say, in terms of if you were to hold the mirror up to every one of their client facing staff to say 'how many future led conversations do you have with your client?' or 'are you spending 90 per

cent of your time talking about what happened last year and looking at compliance type...?’ Be honest with me how much you do? They don’t necessarily have that reality conversation because accountants generally don’t like difficult conversations with their staff. Most of us don’t, but there’s not too many people having those conversations.

The firm that I feel is doing very well is actually realising that change is difficult and if it feels entirely comfortable, then they’re not doing the right thing. So they’ve got to understand that there’s going to be a level of discomfort with the way they do things because that’s what change is and that’s what comes about in terms of change. That’s the first fundamental bit is mindset and being very, very clear about holding the mirror up your firm and saying, “Look, if you have this aspirational goal to get to, whatever KPIs you want to get in place, where’s the reality right now. Where are we right now?” And if we hold the mirror to say, “How far off are we?” then let’s be really, really honest.

Paul            Are you saying there, Alex, that the small handful of firms that are already going for it in that business growth accountancy advisory space, they are the ones that are holding that mirror up. They’ve got the vision, but

they're also having those reality checks and pursuing the difficult conversations internally and holding their people to account, are they?

Alex Absolutely. Let me give you a couple of examples because the carrot and the stick is always the interesting conversation when you're having internal staff conversations.

So this particular firm that I've got in my mind at the moment, originally they had this aspiration about they've got certain revenue targets they want to get to by 2020 and they realised pretty quickly that they're not going to get those revenue targets by just getting through compliance work. So they put a goal in to get to – "We want 20 per cent of our work to come from non-compliance work, from advisory," whatever that looks like, whether it's talking about tax advice or whatever it is, they want to move away from purely year-end work.

As part of that they said, "Well, the only way we're going to advisory conversations is to get our clients onto Cloud software, to get the real time information to allow us to have those real time conversations and not past conversations."

Paul Really?

Alex That was the first part of the aspiration. We need to make sure that we've got that data to have evidence based conversations with our clients. So rather than saying to clients, "Look, we feel your turnover levels are going to be here and we feel you're going to end up round about there," actually they can base that on conversations. They use QBO and they use Futrli at the other end to start having those kind of conversations.

So that was the first part of it, but they realised pretty quickly that actually the engine that's going to sit behind this, ie Cloud accounting, they looked at the Portfolio Managers and the Portfolio Managers were just not making those migrations. Coming up with all kinds of excuses around "Well, we had the conversation with the client and they weren't interested. They felt that there were security issues and security risks." So they made some changes to their client database to say, "Well, we need to capture all of those conversations. If they're saying they've had conversations with clients, they need to be capturing those conversations within our database." We need to ask a set series of questions and we need to have that as part of the management reporting to say that that's been done, so they could at any point in time say, "Well, Bob in our Client Services

Division, in our outsourcing team, has had five conversations with his clients in the last two weeks about getting onto the Cloud and the benefits of it." They would actually have to document that conversation and that could be taken up by the management at any one time.

Alongside of that they set up parameters around the expectations of what percentage of their client base should be on Cloud accounting. So they set expectations to say, 'within the next three months we expect 10 per cent of your client to be on Cloud accounting. We expect that to rise by five per cent every two months,' and they felt that was conservative at the time. They published a league table. They made it very visible in the office in terms of who was doing, and they even went as far that a recommendation to the management team was that any client manager without these parameters, without 15, 20, 25 per cent of their client base on there, will not be able to get an 'outstanding' at their annual review or their course review.

So they started with a carrot, didn't realise it was going particularly well, and they kind of moved to a slightly different model where it was very evidence based, very data driven, very clear and very transparent in terms of doing things. Don't get me wrong, they're still having challenges but they did make people feel uncomfortable. They did put people with the

mirror and didn't just put them based on anecdotal information. Actually there was some clear evidence with the data they were collecting that would allow them to move that.

So that's where I'm beginning to see that level of success and that's been driven by the Head of Outsourcing, who is a strong character, but a fair character, and just realises that actually this isn't about individual's jobs. This isn't about individuals. This is about the whole firm being fit and relevant within five years' time. So actually it's not a nice to have conversation, this is something that if we all want jobs in five years,' this is where we need to be.

So yeah, there is definitely some examples out there, but they are few and far between unfortunately.

Paul Oh right. So they're the firm who is internally using non-financial KPIs. Actually using KPIs focused on the type of client conversation about Cloud accounting to ultimately hold their managers to account on progressing the firm towards the Cloud accounting firm?

Alex Yeah, absolutely.

Paul            So it's still too early, arguably, in that firm to then go "Well, they're having meaningful advisory conversations with a meaningful number of clients because they've yet to make the transition."

Alex            Yeah, exactly right.

Paul            They'll be two and a half years' away before they're in a position to scale that in any way, shape or form.

Alex            Yeah, but what they've said is that they realise they've got a lagging indicator around 'we want to be 2020, we want a certain percentage of our fee,' and then they've looked at the leading indicators that are going to get them to that point and one of the leading indicators was – 'we know that we can't get there unless we have real time data that we can discuss with our clients.' They've taken an intentful look at not just the aspirational goal, but what are the building blocks to get us there?

Paul            Yeah, and I think what I'm getting from this conversation, Alex, which I've yet to see in the other ones is – yes, there might be a head long rush in

certain people's minds, certain accountant's minds, towards advisory, advisory, advisory, because that's the future, which with respect has been a message of boot camp, AVN, 2020 for ever, for almost 50 years.

I don't know whether you agree, but there is a... Certainly MTD is round the corner, therefore quarterly reporting around the corner, and the unavoidable progression of technology, sat down on stage in California, with the app actually generating big data information about whether it be for bank lending or whatever, shows that the technology in its own right irrespective of what the government's do with making tech digital, there's a driver there which is again unavoidable.

Alex            Yeah.

Paul            But here you've got a forward thinking firm who's putting the building blocks and it's slower to put this stuff in place than everybody thinks just because of the sheer scale.

Alex            Yeah, absolutely.

Paul            However, it's wrong, I guess, having a conversation about Xero with you, but I went to Xerocon and Armstrong Watson, which is – I don't know, a £25 million turnover firm, who transitioned four and a half thousand clients from desktop to Cloud in a year. By gosh, that's possible. Not a firm that's necessarily known for being right at the forefront of change, actually leapfrogging everybody and showing what is possible within a 12 month window across a substantial segment – to use your word – of their firm.

Alex            Yeah.

Paul            I'm just wondering if that sort of story is likely to wake people up to being somewhat more aggressive rather than slow.

Alex            Yeah, it's certainly the darling of the Cloud. The Armstrong Watson story I'd say is well known. It's not necessarily well known in terms of the how they got there, but well known in terms of the end result.

Paul            The scale of it. The four and a half thousand.

Alex

And my feeling around that having spoken to a few of the people that have been loosely involved – and I mean loosely involved – is they were incredibly prescriptive with what was happening and there was a very, very strong message coming from managing partner down to say, “This is the future. This is where we’re going. This is the bus and this is the direction the bus is going on. We’d love you to be on the bus, we really would. You’re vital to our firm’s success, but we just can’t stop this bus. We’re not determining the speed of this bus. Actually, this has been determined by us, so you’re on it or not.”

And actually they’re not going out and seeking... If they sought permission from four and a half thousand clients to each client individually and say, “Look, your records are going to be on the Cloud now. Have you got any objections? Oh, you have, okay. Well, I’ll call you in three months’ time to see whether you still have those objections.” No, they wouldn’t have had those conversations. They would be going to their clients saying, “This is happening now, and if you don’t like it then you’re not actually the client for us.”

To do what they did, there would have been a lot of tell going on in those conversations. They would have to be very, very direct.

Paul            So you can then argue, can't you, that they've jeopardised some key personnel who might go "Sod you," and they've potentially jeopardised a percentage of the client base by insisting that they pursue a particular... And it will be interesting to see if they'd be willing to share this in 18 months' time or 24 months' time, the impact of this strategy on their client retention and on their key staff retention.

Alex            I'd be fascinated to know that and I would be amazed if that... I'm sure naturally within that process they would have seen some attrition, if you like, on both client and staff that maybe was coming. I'm sure it was a good qualification process, but there would have been some fairly upset people rightly or wrongly in that process.

Paul            And I know we're speculating, but common sense applies, doesn't it?

Alex            Yeah.

Paul            Alex, if I could now focus yet again, before we wrap up. If we take away the firm perspective and go, "You can probably see a handful of individual

managers or partner level accountants who have built a reputation within their firm as being the go-to person for delivering business growth accountancy." I'd like to think you can probably identify some of those.

Alex        Yeah.

Paul        And when you do, and stick with the mindset given that you bring it up, what sort of mindset do they have? What's their approach? How are they wired that prompts them to be really good at generating fees and profits from business growth accountancy conversations?

Alex        Yeah. So the individuals that again come to mind are those who actually wouldn't describe themselves as accountants first of all.

Paul        Oh really?

Alex        I think that's fundamental.

Paul Why is it fundamental?

Alex Well, I think if you define yourself as an accountant and communicate your skill set as an accountant, then inevitably you go into debits and credit style conversations and I think that's inevitable, and inevitably you go into historical conversations. If you present yourself and think about yourself as a business advisor or consultant or growth expert or whatever, then naturally they'll have a different... So how they define themselves and their sense of purpose and what they do and how they can articulate the benefits they bring to their clients, I think is fundamental.

That concept of purpose, I think is really, really critical. I talk about that quite a bit when I speak to firms, 'how do you define your sense of purpose? If you were stuck in a lift – the old cliché – with your client for 30 seconds and they said, 'What do you do?' what would be your explanation around what you do?' So they have a clear sense of purpose and that purpose is to help their clients grow and be as prosperous as possible. And so they're very clear with that vision of what they do. Yes, they know the numbers and yes, they understand a balance sheet, and yes, they understand the P&L and yes, they understand the forecast, but only if there's a 'so what' conversation at the end of it.

Those individuals, they tend to be the more dynamic people within the room. They tend to be the more gregarious, slightly more extroverted people in the room. Not all the time, that's a gross generalisation, but you see a certain personality moving in that direction. And they're also the ones that see themselves as having a future career with in the accountancy profession.

Paul            Really?

Alex            I think that's important. When we look for key partners to work with, when I look for key partners, where I'm going to spend most of my time because I work... We're all strapped for time, so where I think I'm going to get my biggest impact, where I find those individuals within the firm that if you say, "Where do you see yourself in five or ten years' time?" they can articulate that as well.

So yeah, there's lots of things you look for in those individuals, but they're the kind of things that come to mind.

Paul                   And that fits with something that essentially comes out of the mouth of everyone who's doing anywhere between £100 and a £1million worth of advisory fees, is they're a business growth person first and an accountant second. Not an accountant first and value added stuff after. I think that's what you were saying, isn't it? They see themselves first and foremost, fits with their purpose of help, make a difference to their client, improve the capital value, sales growth, whatever, of their clients and as a consequence secure the relationship, secure the accountancy fees and also win additional... Well, it won't be additional advisory fees. It's almost as if that comes first.

Alex                   Yeah, absolutely. They've lost this obsession with being a specialist. They've lost this obsession with being an expert. Google has put paid to that. I know that I can find out within seconds what allowable excuses should and would be. Do I need someone to validate that and give me a sanity check? Yes, I do, but I don't need someone to have a chat with in terms of what all of these things mean. So they've lost this real desire to be that kid in the exam who's not letting anyone...

Paul            Yeah, the font of all knowledge. They don't need to be the font of all knowledge.

Alex            No.

Paul            So what do they need to be then? If they're not the font of all knowledge, they're not the expert, what are they?

Alex            Well, you know what? I think they should see their role as coaches, as mentors, as inspirers. They should see – and it goes back to the conversation we were having about 45 minutes ago – is have they left their client and their individual feeling good about life, feeling refreshed, feeling clear on their mission, feeling what they're doing going forward is the right thing?

That should be their *raison d'être*. It shouldn't be, did the client feel that HMRC are going to be on their back in six months' time? Don't get me wrong. It's fundamental, absolutely got to happen, but that's not going to be their differentiator. That's not going to be the way that they delight their clients.

Paul            Yeah. Brilliant. Alex, there's definitely a number of things that you've said and shared that corroborate what I've heard from other people. The key ones being it's almost advisor first, accountant second. That obsession with let's help our clients be better business owners, more successful, make a difference type stuff. There's the need for putting fundamental building blocks in place that enable people to free up their time, that without you needn't jump from vision to advisory.

You basically set yourself up for an almighty fall, be the tortoise rather than the hare in that journey from where you're at now to where you want to be, ensuring that you're using the technology with your team, with your clients.

Alex            Yeah.

Paul            I am disappointed that we were not having a conversation about more firms in the top 100 is classic, but I guess it goes to show that a) it's hard but also b) that there's such a massive opportunity available to every firm of accountants that they could and should grasp.

Alex            Yeah, and I know we're running out of time, but the reason I'm not seeing a huge amount of success within the advisory space in the top 100 firms is because change is so much difficult to bring about and the thing that's underestimated within all of this is to move the profession in that direction takes agility, takes speed, takes testing, takes risks, takes the attitude to failure that actually if it doesn't quite work out, then it's okay.

And that seems to be more and more heightened within the larger firms. Don't get me wrong. There's pockets of stuff going on. Even within the Big Four, I see there's some good stuff happening with some of those larger firms in the sub-brands that they've set up but it's taken these sub-brands and detached entities to really make it happen.

Paul            Yeah, it's almost like that skunkworks approach, isn't it, in the big firms?

Alex            Yeah, absolutely.

Paul           Very good. Alex, it's been brilliant. Thank you very much for sharing your time and your insights and no doubt we'll cross swords again and I'll quiz you again on or two things.

Alex           Yeah, course.

Paul           And sharing all the insights with you when I've got it ready.

Alex           Yeah. Cool. Always a pleasure.

Paul           Thank you. Good to speak to you, and as I said before, I'll send you a copy of the transcript so that you've got it.

Alex           Yeah, that will be good and send me a copy of the questioning thing as well we talked about...

Paul           Was it just that pyramid or do you want that whole chapter on questions?

Alex Chapter would be awesome.

Paul Well, it isn't finished but I'll send you the raw pages. It's not a million miles away, but I'll make sure that that happens.

Alex That will be amazing. Thanks, Paul. Have a good weekend, mate.

Paul Brilliant, thanks Alex. All the best to everybody.