

## Steph Hinds

Head Ninja and Accountant at  
Growthwise, Australia

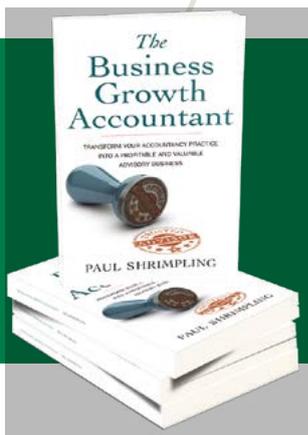
Xero Firm of the year 2012



Being in business takes blood, sweat and tears. But at Growthwise, we have small business superpowers that can help you manage it all. Overwhelmed and need advice to rescue your business? We're here to help, regardless of what stage you are at in the business cycle.

We're not your average nerdy, pen pushing, number crunching, sit behind a desk small business accountants.

In this interview Paul and Steph talk about the importance of listening well in business advisory discussions with your clients. Steph highlights how the conversations reveal the true issues and problems that they need to focus on to support their clients in a high value way.



## Steph Hinds

Paul All right, let me kick off then. My name is Paul Shrimpling, Managing Director of Remarkable Practice and I'm joined now by Steph Hinds all the way from Australia at some absurd hour in the morning for me and a sensible hour for her in the evening.

Steph, do you just want to give us a two-minute quick bullet-point introduction to you, your background and your firm, please.

Steph So, I am an accountant and I absolutely love actually using that term as defining what I do and what I am and what I love. I started Growth Wise 8.5 years ago now. We are a small business – not a firm, we're a business – in Newcastle in Australia, working predominantly with a bunch of different small business owners who have one thing in common and that's that they're all looking to improve their business in one way or another. Our role and our job every single day is very exciting and very different because each of our business owners have slightly different problems and challenges to deal with. But all in all, we're a small team who have a lot of fun and really gets to make a big impact on our clients as well.

Paul How many are in your team, Steph?

Steph There are 12 of us.

Paul           And how many business only clients have you got at any one time?

Steph          Just over 300 client groups.

Paul           What do you mean by client groups?

Steph          So, some of those client groups might have multiple businesses if the owners have got different things happening, and some might only have one, but it's kind of each person is different, that's why we call them a client group.

Paul           Okay, and like any accountancy firm they typically join you and they stay with you for years or do they come in and float out after two or three years? What's the client relationship like for you?

Steph          If they're staying in business, we tend to have a really, really long, great relationship with them. We often find that entrepreneurs and small business owners will do something for three or four years and then they'll sell, then they might have a bit of a break and eventually they end up coming back to us in a different form. So, it's very much an ongoing relationship that we get to enjoy with our clients who become great friends of ours and great advocates in our community in Newcastle as well.

Paul           And is it very much a regional Newcastle business with Newcastle clients or have you got clients all over Australia or all over the Southern Hemisphere?

Steph         Well, it starts in Newcastle. Most of our clients, especially who are growing really rapidly, end up all over the world, so we're going to have clients in the UK, in the US, in Canada and New Zealand, all over Australia. But there's nine times out of ten a common theme, that either the owners are based here or perhaps the owners have been based here once in their lifetime. Because we're very big on that community feeling in Newcastle as well.

Paul           Okay, so it's the exception rather than the rule that they'd be outside of Newcastle.

Steph         Yes.

Paul           Which is interesting because, two very different places, but my family are all from Newcastle in the UK, so we've got a connection, Steph [laughs].

Steph         We do.

Paul           So, how do clients find you? I can see looking at the board behind you, you've got Facebook, Instagram, Blog, Pinterest, kicking off. Joey's Hot

Tips, whatever they are. But let's stick with the social media piece, I'm just curious, how do business owners typically find Steph Hinds and her team?

Steph        It starts with word of mouth. Interesting, we do have all those social media platforms and we tend to be quite active on social media, but our audience for social media are our clients so we're educating and everything we do from a social media standpoint is designed to educate our clients.

What happens with that, and when we've found works exceptionally well is, our clients then share those things to their friends who are like-minded business owners as well, and that obviously results in them following us and what we're doing and therefore becoming clients.

So, we always find often it's the initial introduction that comes from a client or someone that we know or support, or industry person. People generally search for us online, they get to know us a little bit online and then they're sold before they get to us.

Paul         Yes. So, number one they've probably been recommended, then they're checking you out on their favourite channel – not necessarily your favourite channel but their favourite media channel – and by the time they make contact they're pre-sold 80%, maybe completely sold. Okay, cool.

Steph        Correct.

Paul So, social media education channel but actually a way of proving that you are who you say you are and who everyone else says you are. Cool, okay. So, without the word of mouth piece, the social media would just be talking to fresh air, is that what you're saying?

Steph That is 100% correct.

Paul That's interesting, and it's very much the process we use as well. We look busy but we're busy educating, putting good content out to business owner accountants.

Okay, so let's talk... so when these new clients find you, and I'm just taking the new client angle just because it's an easy path to follow and then we'll dig deeper into the cross-section of your clients – are they coming to you because they want an accountant or are they coming to you because they want a business growth accountant?

Steph Generally because they want help in an area. So, we often find that people come to us because they don't understand how to improve their business, and often that could be something to do with their numbers, so they may not understand necessarily gross margins and profitability and cashflow and finance and things. But oftentimes they just don't understand the whole, complete picture in one, and that's what we're often getting referred. They might think they have one tiny little problem but as soon as you start that conversation, the ball rolling, they're just dumping all the things that they don't know how to deal with on our plate, and that literally

is our job. We're part psychologist, part mum, part accountant, part mediator.

Paul            You mentioned there, kickstart the conversation. So, they come to you with a problem which is, I guess you could call it the foot in the door or the door slightly ajar, and then you throw the door open with your conversation. What do you put down as the... What do you say as the kernel to a great conversation between you and the client, how does that start? I'm looking really for the skills that you use, Steph, here.

Steph            So, it's conversational skills and it's really listening. So, the big thing that we try to develop, myself personally and the team, is being really, really good listeners. And if you're a great listener you can pull out the actual pain points – the things that people are talking about as opposed to necessarily exactly what they're saying out of their mouths.

And I think that comes down to having a different skillset and being able to say, okay, here's a problem, let's take this on a journey and explore more why this might be a problem.

So, a perfect example, we had a physiotherapist who came to us who was young, didn't have any control over what was happening inside the business, growing rapidly, didn't know how to set in place team things, how to do a recruitment process. Was kind of doing 100 different things from a marketing standpoint and just had no structure. But he didn't tell me he had no structure, in those words, that he didn't know how to run a business like a business. He came dumping those little problems like,

should I employ somebody, and, which type of person should I employ, and, should I use Facebook, and, should I be doing Instagram stories.

And it's listening to the questions that clients are asking and really being able to drill down into, what's the big underlying problem? And that comes from having really, really good skillsets of being able to listen and understanding fundamentals of a business and understanding the fundamental journeys that business owners go through as they're going from just starting, all the way through along that growth path and just really knowing where they're up to.

Paul Yes, yeah. So, where does that understanding business models, general business, the business journey, come from, Steph? That's not an accountancy conversation you're having.

Steph It is not an accountancy conversation [laughs] at all. So, this comes from... our passion at Growth Wise is just being able to solve problems. Over the years, we've kind of gathered all the problems that clients throw at us. We do that similarly to our random sticky notes on the wall and really being able to bunch or group those problems into categories, and from those categories we've actually developed programmes, so proper educational programmes that guide our business owners through what we classify as our 'L-Platers' programme. So, in Australia, learning to drive you're on your L Plates, and as part of learning to drive you've got some books that you need to read, but the most important part is you have someone sat in the passenger seat with you every single time you're learning to drive. So we've created this programme that's educational but it is a partner or a

person sitting next to you as you're learning and as you're going through this entire business process. And for us, it was being able to identify, what are the big-ticket items that business owners struggle with? One of those is most definitely structuring, you know, rules around what they should or shouldn't be doing, how they have those conversations with their team, people, sales; understanding cashflow and numbers and when they can actually expand and when they can't afford to expand; and really just taking them through that journey of what business is all about.

Paul Right, and so with Growth Wise, when you set it up, did you set it up with all this in mind or did this evolve?

Steph So, it evolved. We knew the day that we set Growth Wise up that we didn't just want to do tax returns because they are boring. What we wanted to be able to do was have those great relationships where we were effectively a partner with our clients, so us being that partner. And we didn't have all the answers at that point in time. I didn't know we were going to run L Platers programmes. I wasn't 100% sure that we were going to go down the technology route that we have with our clients. Those things have evolved based on the problems that our clients are coming to us with and the fact that we have that skillset, we just need to build it into a service package.

Paul Yes, okay. So, when you started Growth Wise, was it account first, helper second?

Steph Yes, it would have been accountant first.

Paul And now would you say it's helper first, accountant second, or do you think it's still accountant first?

Steph No, I think for small business owners, they don't really understand what an accountant does. They just don't. They understand that they have a problem and they understand that they have things that they need to physically do, because the government tells them that they have things that they need to do, but I don't think for a small business owner they actually know what an accountant is, in terms of definition. And I think so many accountants are vastly different and the services that accountants provide are vastly different. It's confusing for small business owners.

Paul Okay. So, it's evolved from accountant first, helper second, to helper first, accountant second.

Steph Definitely.

Paul Which is quite a statement in the context of, you know... Your views may differ to mine, Steph, but cloud accounting, AI, machine learning, big data, you know, all coming on stream rather quickly now and therefore, whether you're on Xero, QuickBooks, some other accounting platform, whether you

use Futurely or Spotlight or Fathom, the numbers are being done by the technology, or will be done by the technology, and therefore the classic, traditional accountancy route is perhaps less of a good business model than it was historically. What's your opinion on that?

Steph I 100% agree with you. The way I try and explain it is, as accountants when I started my career 18 years ago, we just didn't have access to data and that was a problem as an accountant, you didn't have access to really, really good data. Today, my data doesn't necessarily come from accounting programmes, my data comes from point of sale programmes for clients or from their inventory software or from their CRM software or a combination of all of those things.

And as we see AI and as we see cloud accounting technology and every other single piece of technology get better and faster and more accurate, we, I think, get to be much more accountant-like. And what I mean by that is, as accountants we are actually trained to analyse data. Most of us, uni does concentrate on being able to analyse data quite a fair bit, so most accountants, we do have a great analytical mind and that data is just coming to us now really, really quickly and really easily and that's exciting.

Paul Yes. Okay, so we've got this almost real-time instant access to data. We've got our accountant's analytical approach, find it easy to unpick and identify the information from the data that's relevant to the business owner, that might signpost the problem that they're looking to fix. And then there's the conversation around what's really at play here which, you focus on the listening part. I have a tendency... Listening, for sure, a key skill, something

that you don't learn on an accountancy degree or chartered or AAT or whatever.

How have your questioning skills developed over the years, Steph?

Steph I would say, every day I get better at questioning, every day I get better at delivery and every day I get better at articulation, because it's the one thing that I understand, myself as well as everyone else, certainly at Growth Wise, needs to improve in these skills. So, from my perspective, that's the training that we focus on. Everyone in our organisation is actually really good at tax, they're really good from a technical standpoint and I think they're really good accountants. So all of our training that we're doing internally is focused on how to ask better questions, how to articulate things better, how to tell better stories, how to engage emotionally with clients and really how to just be human. And I know that sounds really bizarre...

Paul Yeah, a bit glib maybe.

Steph ...but our training is focused on how to be human. I think accountants are taught so much to be robotic in their nature that that human delivery, that empathy, that manipulation of a client from where they were, not really having confidence and focus for themselves, to really having that great confidence and being able to deliver their jobs now. We have a completely different skillset at Growth Wise that is required than what we ever have had before, which means it's completely different.

Paul            You used the word 'manipulating' there, which you'd argue is not a word you associate with the trusted advisor. How do you square that circle?

Steph          At the end of the day, a lot of small business owners, we find, are extremely stressed, and they come up against certain situations that they just can't get past or they just can't get around or get over, and I always use that word, 'manipulation' because it is our responsibility to get somebody from this point to this point, and using the word 'manipulation' really means that it's our job to get people to think, to understand and to act on their own accord to do something that they ordinarily wouldn't do themselves. And it's a word that I use specifically. I know most people are like, you should never manipulate anybody. But it's for good.

Paul            Yes, I'd use the word 'influence', same difference, I guess. In fact, I ended up in an argument, not particularly heated but getting close, around that I'm an accountant and my job isn't to influence people. What you're saying is quite the contrary. For you and your firm, it absolutely is your job to influence and manipulate.

Steph          It is, because people are coming to us because they want to achieve something and it's very different for different people. We have some who say, I want to be world beaters, and they go from having a small office in Newcastle to having offices in five parts of the world, and that's exciting, and my job in that instance is to really push that person and to make sure

that when they think it's getting too hard or when they doubt their ability because something happened in a different country, to really push them to go, you can do this, remember what you've been able to do here, let's just replicate it everywhere else.

And then there are people who just turn around and say, I really want to be able to spend time with my children and educate them and bring them up how I want to and never to miss an afternoon of learning with them, etc., and my job in that situation is to help the person put in place amazing systems and processes and great managers and find out what they're extremely passionate about themselves so that they're only working in that one area.

So, you've got to find out what drives a person and it's our job to inspire and motivate. We have those words written all around the office walls because that's what people come to us for, and that's in my business what advisory actually is.

Paul            So that inspire and motivate, influence and manipulate piece is coming from your processes, your systems, your people asking questions, delivering, articulating, connecting as a human being, to use your language. So, there's four elements there that I heard in your answer. If I can just drill into each one of those a little bit.

So, you train people to ask questions?

Steph          Yes, I know that sounds really weird. Yes.

Paul           How?

Steph           Look, the process for that is putting people in situations. So, for us, everything is about role playing. So, my training technique, my training style, is to pull out something that has actually occurred or gone on with a client during the week and then say, okay, how would you deal with this situation and what would you say and what do you think the client is feeling, and what words do you think are really important.

And from that, it's then picking out, okay, well how do we get to the stage of drawing that out of the client? What words tend to work in this situation; what times should you actually be asking a question versus letting them just continue on; what does our body language need to actually say and show.

And it really is, as a human, how do you get the best emotionally out of someone else, and how do you learn cues. And role playing is the only way I personally know how to teach that.

Paul           Learn cues – what do you mean by that?

Steph           So, learn the cues of what a person will naturally do themselves. So, if they're sitting back, they're not necessarily really engaged, so it's our job to lean forward and lean into that conversation and to keep that engagement going. And simple things, like to listen to pitch tones and cues of a person as opposed to just going, I need to tell them this. Which is often what we do going into an appointment; we have an agenda. So we're often just

thinking about, what do I need to say, what do I need to get across, as opposed to, what is the person saying and what are the key things that they're struggling with today, and being able to then drive that conversation where it needs to go.

Paul Okay. So, these role plays, how often do these happen in your business?

Steph Fridays, 30 weeks a year.

Paul Right, okay, all of Friday?

Steph No, generally two hours.

Paul Two hours, 30 Fridays of the year. So, there's 60 hours a year invested in asking questions. Or is it the whole piece, the questions, the delivery, the articulation, the humanising?

Steph It's the whole piece. On top of that, I'll often do an impromptu role playing session with people during the day, especially if I see... You know, I use it as a good opportunity in the office to bring the mood up and to get everybody excited, if I know that everyone's flat on things that are more compliance and boring-driven, I'll often try and break that day up with, all right, here's a situation, let's role play that.

And it's also sharing important learnings, so for me, it'll be sharing important articles that other people have written or blog posts, books that are helpful for the team to learn as well, and I think that comes down to, as a business we know what we're trying to do, so we know what we're trying to deliver. Which means, as a team, you know who you need to recruit. And those are people who want to learn, who want to grow with your clients and who want to be able to deliver those things and who are motivated doing that themselves.

Paul Yes, yeah.

Steph Which means they're craving that information anyway.

Paul So these 30 two-hour sessions on Fridays, is this a group session as opposed to one-on-ones?

Steph Yes, always a group session. I find people learn a lot from each other and we have everything from 20 year olds to 60+ year olds, I'm not allowed to say the exact age [laughs]. And everything in between. And I think the key that I have learned in this process is, every single person learns differently, every single person learns from each other, and it's really important that you just give that opportunity to everyone.

Paul            Okay, so we've got these group sessions, you're prompting and creating an environment for people to contribute, suggest their thoughts, ways, means of creating a conversation with a client, so that they're getting better at, for want of a better word, grilling clients, but with the purpose of helping them. How do you train the articulation piece?

Steph          Again, very role playing. So, that comes down to, I might listen to a conversation in the office – we all sit together, so it's just literally a big, long row of desks, no offices – and I'll stand up and say, okay, did everybody listen to that conversation? What words could we have used that would have given the client – I'll concentrate on one thing – given the client more confidence in the solution that we were trying to give them, or given the clients more urgency about what it was that they needed to do, and just get everyone to brain storm.

And those impromptu sessions are just as good, if not better, than formalised training.

Paul            So, it's as it happens as well as the 30 two-hour sessions.

Steph          Definitely.

Paul            What do you mean by training on the delivery piece then? Because you're not talking about delivering accountancy services here, are you? Your team are building their skills on asking the questions, the listening, the

articulation. What exactly do you mean by delivery and how do you train that, whether it be impromptu or formal sessions?

Steph

So, this is where I think the delivery side from an accounting standpoint is just as important. So, for every single business activity statement, as an example, that we send out to clients, there are a few simple rules that I have tried to impart as our delivery mechanisms for clients, and that is, always make sure we're using plain English, never jargon; but always making sure that the clients are very clear.

And very clear means, here is how much tax you have to pay, and here is the due date, and this tax is broken up into JST and Pay as You Go and Income Tax. This is bigger than what your previous was because we overpaid you wages. Or whatever it might be, but it's just getting that delivery of structure right to say, okay, we need to think like a client. What is going through a client's mind at this point in time and what is the client really looking for?

So, a client obviously gets that they've got to pay something but what are they looking for? Have they claimed everything that they possibly can be claiming, is there any way to reduce that tax amount or do they need to do anything differently, and for every delivery mechanism that we do we answer one of those questions.

So, we're always trying to add, not just securities but always trying to add something else, something that's going to be beneficial for the client. We can't just send out accounting stuff, there's got to be something that goes with it.

Paul            Okay, all right. One of the interviews I did was with Steve Major, who talks about pricing business advisory, that's his piece that he commentates on, although he's a chartered accountant as well. Steve made the point to me that this trusted advisor, business advisory value-added piece is upside down on the grounds it's not value add – the point is the value, it's not added in, it is the point. The numbers then actually facilitate that. Would you subscribe to that perspective too, Steph?

Steph           Yes, definitely. I think the numbers just assist us in telling a story, right? That's what they allow us to do because they give us the data to know what needs to happen. So, there's a huge difference that I always say between a lot of business coaches, and this is predominantly in Australia, a lot of business coaches don't have that data behind what they're telling a client to do.

Sure, they have understanding of industry and by all means I'm not saying that they're terrible, but the benefit that a lot of accountants have in this area is to actually have the data behind all of that. Not only knowing what needs to happen for people, but we have that data and we can draw a comparison to really show what those improvements have been.

Paul            To pick up your point earlier, Steph, it's not just the data, we've got the skills to interpret the data and then you're taking your team and developing their skills in terms of questioning, articulation, delivery, humanising, so that's the full package then as opposed to a business coach who doesn't have either the data or necessarily the skills to interpret the data.

Steph            Correct.

Paul             It's a good sales pitch, isn't it?

Steph            It is.

Paul             Tell me about, if you would, the split, if you can Steph, between the fees you charge for accountancy and the fees you charge for advisory business growth style work. How does that structure up in your firm?

Steph            I always have a problem doing this mix because for us, there is no... People cannot be a Growth Wise client unless they have advisory. We just don't give them a choice. So, there really is no split between compliance and advisory, as such, it is just what we do, and that is it.

Paul             Okay, great answer.

Steph            It's such a fundamental piece for us that we don't split it.

Paul             In which case then, from a pricing perspective, have you got a three-tier pricing structure, how do you price?

Steph Yes, so we have our L-Platers, P-Platers and Black Ops, and there's Black Ops Junior and then full blown Black Ops. And we have one package on top of that which is a very high CFO based package where we are, effectively, sitting internally in their organisations, just not as a full time staff member. So, we do have five packages. The top one is reserved only for a couple of people because we obviously don't have the resources to do more than that, so four packages.

Paul And the distinctive differences between the packages, what's that?

Steph L-Platers is really designed for people who are either new to business or just don't have that business acumen, so they're starting at the beginning, and it can be really designed for those start-up businesses, all the way through to Black Ops Seniors, so they're the top level where they might have 20 staff in their business, depending what the business is and what they're doing. So, a very broad package.

Paul And so, is the distinctive delivery piece connected with the number of interactions with a client, the number of meetings and calls? Or is there something else that's the distinctive difference?

Steph Definitely the number of meetings. So, all our packages are part educational content, and that goes out to everyone internally for our clients. We have monthly, for our Black Ops Senior, one-on-ones and our Black Ops Junior is quarterly face to face and then P-Platers and L-Platers

are grouped. So, there's two one-on-one and then the rest is monthly from a group standpoint. That's face to face, and then we encourage all our clients to contact us with every little question by whatever means they want to contact us. Because we always find it's much easier to solve problems on the spot for them as opposed to letting something fester for three months.

Paul           And that accessibility to your team is part of the package as well, so it's not extras and so forth?

Steph          No, it's all built in.

Paul           Okay, all right. Brilliant. So, your preference is face to face rather than Skype or Zoom or Go To Meeting?

Steph          Our preference is definitely face to face for people that are in Newcastle, but everyone moves and we've got clients living in Colorado and everywhere. So we do a lot of Zoom appointments. But for me, it's being able to see someone, so we still need to be able to see those cues. That's why we love Zoom and video. I dislike the phone where you can't physically see someone.

Paul           But you put a greater advantage to the face to face piece than the Zoom piece and a greater add value to the Zoom piece than a call?

Steph            Correct.

Paul             And people's regional location ultimately dictates whether it's face to face or Zoom.

Steph            Yes, and as we travel, I mean, we have clients who are in Sydney now and all over the place and I obviously do a lot of travel. So if I'm anywhere near the client I will always try and divert a bit to do a face to face as well.

Paul             Okay, great. So, if I can... Your largest client, Steph, how would you describe – without giving too much detail about the actual client – how would you describe the scale of that business and the nature of the business and your relationship with them? We've talked big-picture so far, I just want to drill down into one or two things which encapsulate your approach, so I just want to start with, whether it's your biggest fee or your biggest client, I'm not concerned, it's just getting a handle on... You've already indicated that your smallest client might be a start-up going on the L-Plater programme. Your largest client, what would they look like, how do you work with them?

Steph            So, our largest client pays us \$60-odd thousand dollars a year. It's a combination of certain people in our team, so that client actually works with four people in our team and each of us have a different or unique skillset that we use with that client. So, Andrew in our office is our resident

CFO and he does an enormous amount of work with that client on a weekly basis; he's literally every week on calls, doing cashflows, you know, actually saying to them, yes we'll improve this, yes we're on track, no we're not on track. We do bookkeeping for that client so we have a bookkeeper internally here who is assigned to that client that has a lot of technical accounting issues at the same time, so we actually have an accountant who does all of those projects and all of that work with the client.

And then I sit at a strategic board level, having those discussions of, is this next opportunity a great opportunity; is this person, the COO, performing well in that role; what's happening from an outside and external point of view as well. I think having those different skillsets internally is so important and it just goes to show when we first started I think for the first year our top fee, which is going to be hilarious, but 8.5 years ago our top fee was probably \$7,000 a year for our largest client.

So, it just goes to show, if you're willing to grow and you're willing to learn and step yourself outside, you can grow that fee base as well. And this client did not start at that level with us at all, they actually started around the \$15,000 mark with us and we've built that up over the years.

Paul                      Okay. And so, there's a different style of meeting with you, so you're in board meetings, say, quarterly or something, your CFO is having a weekly conversation, maybe monthly meetings or something, and then you've got one or two people in your team crunching numbers – and having other style conversations?

Steph Yes, so definitely tax-style conversations, tricky things like employee share plan structuring, what should we be doing from an accounting standpoint, basically. All the way through to the bookkeeper helping them with how we set up expense claim processes.

Paul Okay, brilliant. So, you're not willing – and I understand, absolutely right – not to split the fees between technical accountancy services and advisory services; I can see how the nature of the way you see your business and your team see your business and relationship with clients that you wouldn't do that. It's not a separate line item on a pricing model in any way, shape or form.

Steph No.

Paul Albeit, it is ultimately tied to who is in what meeting with what client.

Steph Yes.

Paul Cool, which is something I've been advocating for too long, Steph, that accountants don't seem to be willing to charge their customers for having a chat, which ultimately is what it boils down to.

Steph Well, that's where the value lies, realistically. I mean, I can in some instances help clients make decisions in a ten-minute conversation that can

add hundreds of thousands of dollars to their bottom line over the course of a couple of years, and that, to me, is really where my value comes in.

Paul Yes, brilliant. So, one of the challenges, Steph, that gets fired at me around the business growth account, business advisor, whatever label we want to give them, they say, well you can't scale it because it's going to attach to a senior manager or a partner, director. You can't scale business advisory, or it is very hard to scale, because how do you have an accountant, in inverted commas, ask pointed, pressing, challenging questions of the business owner given that they haven't owned or run their own business. How would you respond to that challenge, Steph?

Steph I won't swear [laughs]. But I think that that's a poor excuse that people make up and we're living proof. So, L-Platters is a group-based educational session and it's something that means that I can deliver services that would ordinarily be just for bigger businesses who could pay big, large consulting services for one-on-one, back down to a brand new start-up, because we're delivering the educational component and then we're asking questions on the fly and we're showing those questions and answers to everybody else who is at that level or in that programme.

Advisory is, most of the time, just being able to answer simple questions that clients have and push them in the right direction and show them what they need to be doing. It's bringing structure to their lives so they know that, okay, it's coming into January, I need to make sure that I've redone my OKRs for the quarter.

And every client needs to do that; that's called scaling business advisory work. You don't have to do the one on one conversations to every single client that says you need to do your objectives and key results for the next quarter and let's see if they match the total goals and let's see how you did with your...

To start that conversation, you need to go, here is what you need to do this quarter, here's why you need to do it, here's the methodology to get it done. Ask away any questions you have around that methodology and we're going to share the answers – not, you know, Alan came and asked me these two key distinct questions about his business which is blah – it's, okay, we've had this question, here's how we solved this problem.

But in my mind, that's the beginning of scaling advisory services. Sure, people always want their specific answers to certain problems, but often it's just, everyone has the same problem. Or everyone needs to do the same thing. And it's about being smart around how you deliver and articulate that.

Paul           It sounds as though from your answer there Steph, you've got certain KPIs for your team to deliver on to demonstrate that they are living the advisory role rather than just the accountancy role, have I got that right?

Steph          Definitely.

Paul           What sort of numbers are you tracking on your team, or are they tracking themselves?

Steph            So, generally, we don't track per person in terms of numbers, just because our philosophy and our focus is for people working as a team as opposed to working in silos and isolated groups, which, in my opinion and in our team, doesn't actually work. So, we actually track our results for clients, and that's how we rate ourselves, on whether we've done a really good job for the year or whether we've done an exceptionally poor job for the year.

And everyone is working as a team and everyone is interacting with those clients and trying to get the best out of them, and the only way that happens is if we all are focused on the one thing and that means we're focused on pushing the client in the direction that they need to go.

Paul             Right, that they want to go in. So, is that a case of tracking capital value growth, profit growth, cash improvement, number of holidays... what numbers exactly are we talking about here?

Steph            It's whatever the client is trying to do, and I think this is the key, you can't track client revenue growth if the client isn't trying to grow their revenue. You can't track client profitability growth if they're interested in giving away their profit. So for us, it's, did the client achieve what they set out to in the year and subjectively how close were they to achieving that, if there's a number in there. And we certainly have clients who are targeting 40% revenue growth rate and we have clients who are targeting a certain profitability percentage, but we also have clients who are targeting 'I want to open in this country in the next 12 months' and 'I want to open another location in this next 12 months'. And it's about us going, okay, from a year

end standpoint yes this person did open in another location and they didn't just open in that location but the location's working exceptionally well; revenue and profit and people in the door and whatever that might be has exceeded where we thought we would be. And that then means we're all focused on the same thing.

Paul            So it sounds as though you're taking the year end conversation with a client, which typically, every accountant I've ever come across is having a year end post-annual accounts type conversation at some point with a client, even if it's two weeks before the deadline – but it sounds as though you're taking the year end conversation very seriously in terms of establishing the expectations the client has of their own business and giving yourself some references around which to then focus your team on, your actions on, and your deliverables on. Have I got that right?

Steph            Definitely, and I guess the delivery, or the part that makes sense is, we pull out of the client what they're trying to achieve over the next 12 months. And our delivery of their monthly reports always reference back to how they're going towards that. So, anyone can articulate to a client how they are actually going because we know what the client's trying to achieve. And when you build that into your monthly reports, it's actually really easy to keep the client on track. You don't have to have run your own business to have those conversations, to ask those questions.

One of the famous examples I always use is, we have a couple of butchers who are literally amazing at creating sausages. They win Sausage King of New South Wales [laughs]. They're amazing butchers.

Paul I will be quoting you on this, you do realise?

Steph And they wanted a certain profitability target every single year. And every single month we just show them the graph and all anyone in this office has to do is just ask them about what happens for them to get to that graph, and it's always based around, you know, your sales were actually down this month which means you didn't have as much profitability as we would have liked, did you not see as many people in the door every day or did you notice the fact that on Wednesdays sales were down, or that on this day people weren't buying as much as they normally buy, why do you think that is?

And just being able to go, okay, there's a story behind some numbers here. I just need to ask the client what's actually going on because I'm not in the shop, I don't know that stuff. Anyone in our business can ask those questions.

Paul So, you're going hunting for the story behind the numbers, which then signposts high quality information or creates high quality information from that discussion, that conversation, which then results in decision making – or not – by the client. Are you pushing clients to make decisions or do you just present the data, the information, in a nice way with the right story and allow them to make the decision if they want to or not? How pushy are you?

Steph           Very pushy [laughs].

Paul             How did I know that answer was coming?

Steph           We are very pushy because at the end of the day we say to clients, you asked us to hold you accountable. For a client to turn around and say, this is what I want to achieve in the next 12 months, they have asked us to hold them accountable and that is our job. That is 100% our role, it is just holding them accountable. And the funny thing about advisory, and I've had this argument with so many accountants, so many clients just want the start of advisory; they just need to be held accountable. Just the fact that you present something to a client that says to them they're going better or worse than the same time last year or the month before... You don't even need to say anything, you just need to ask a question or show them and go, well guess what, in November last year it was a lot better than November this year, I wonder why. And just that simple thing that clients respond to. We have painters who I set a budget for every year and they've been clients since the beginning of us starting at Growth Wise, and they are at the stage now where they will ring me, if they're not going to meet budget part way through the month, so towards the end of the month, because they know they're going to get into trouble. And they'd never in their lifetime started to plan work and know what they were going to build by the end of the month. And it's just that simple fact of I'm holding them accountable. You said that this was your budget, we know that this is how much you can produce in a month with the painters that

you have; tell me why you haven't hit that mark and let's fix it for next month. It's just accountability.

Paul Forgive me Steph but to use the phrase 'it's just accountability' doesn't give it the due justice and credit that it requires, does it?

Steph Yes.

Paul What I'm doing is, I'm unpicking a value chain which has come out of me putting the book together and that actually was kicked off by a slide I saw from Quick Books, actually. But as the interviews have unfolded, it seems as though there's this value chain – and you tell me whether this makes sense or not. We've got data. We do interpretation of the data which identifies key information that enables a better decision by the business owner, so we push the business owner to make those decisions and to commit to certain actions and then we hold them to account against those actions. So, that's the value chain. It's almost as if you become more valuable as you go up that chain, as you go up those steps from data to information to decision making to actions and accountability. That seems to fit what you're describing there.

Steph You have articulated that beautifully.

Paul Cool, so I'm on the right track then, that's a result. So, in terms of that value chain, you've got 12 people and they fit into, not just one probably but two, possibly three, of those five elements, I guess, in terms of data, info, decision, action and accountability, if they're the five different elements. Although I've tied action and accountability together because there's no point in agreeing what the actions are if you don't then hold people to account.

Steph Yes.

Paul Have I got that right as well? So you've got some people who are very much at the data end, maybe very much looking to identify the information and then someone else takes that information as a conversation to help drive a client to a decision, they may also be involved in the action planning and accountability, but then you've got you at that seat, your CFO chap and yourself, at the strategic end in the action and accountability piece. Or have I misinterpreted that?

Steph No, you're spot on, but we just have four of us at that top level or top end and every single person here with the exception of our mother hen, who is our administration person, sits at the first two rungs. So even our baby juniors are having those conversations with clients and articulating what that data means, which is so important.

Paul So it doesn't matter, even if you're a bookkeeper you're still having the conversation which is around the translating or interpreting the data into valuable information for the client.

Steph Correct. Because what we've found in that process is, the bookkeepers are so close to the actual data that sometimes they can pick up key trends and explain data better than we, as the accountants and trained advisors, can have those conversations. It's because they're picking out that info really well.

Paul Brilliant, and that's come through in other discussions as well, and there seem to be some very distinct themes coming through on this. So, if you would, can you tell me a story – we don't need the client's name – which sort of encapsulates the Growth Wise model, in terms of maybe you've worked with them for a little while, a couple of years or something, and then the conversation has identified an issue or somewhere you've helped and then it's translated into a significant result for the client. I'm looking for that cameo story, to use the Weight Watchers theme, this is what the business looked like before and then we worked with them like this, and this is what they looked like afterwards.

Steph So, an example that I absolutely love because it's something I was absolutely passionate about is an electrician we worked with. He came to us and he should have been bankrupt, so the right thing as an accountant to do would have been for me to refer him to a liquidator in Australia and tell him to liquidate his business. He was in all sorts of trouble. He had tax

office debt, he had supplier debt, he had no processes or systems internally in his business. He had a turnover of staff and he was in just a complete and utter mess.

And I sat down and had a very lengthy conversation with him. We realised very quickly that he was just in a mess because he didn't have the structure, he didn't have an understanding of business behind him. He was very, very good at his trade but the key that stood out for me was, he was exceptionally eager to learn. He just had this desire to be able to really learn and change what was happening in his business. He did not want to throw that towel in if we could help him, and he was really, really determined to succeed.

So, the first thing we did was do a data analysis of where he was up to, and picked out the things that were going wrong in his business and we had a couple of key themes, so he had no contracts with his suppliers and his material costs were too high. He wasn't tracking them against jobs which means he wasn't billing for them, so materials was a huge issue. His labour costs were another huge issue, he wasn't necessarily billing out a lot of his hours. He didn't have any structure about where the boys were going for their jobs so there was travel and downtime everywhere. He was missing invoicing people, again because he didn't have any systems in place.

So we identified that there were a few key systems issues that were happening and we knew that if we changed just a few things, we could make a massive difference to his bottom line. So we started with materials, we gave him the job of going back to all his suppliers and saying, look, I need wholesale discount from you, I have this amount of business that is

coming through from a supplier perspective every single year, if I just come and buy from you what supplier discount will you put us on?

And then we put in place some systems so that he was actually tracking everything that he was buying and making sure that we were billing out everything that he was buying. We put in place a rostering system for him to be able to structure the jobs of where he was going, that actually was an add-on to zero at the time. What that did was mean that he was doing a job in one part of Newcastle, he would try and structure the other jobs that were around Newcastle that day as opposed to being, you know, having to travel for four hours in a day. And he was also tracking every single hour that the boys were spending, which means he was invoicing for every single hour that the boys were spending.

And all we did for a couple of years was concentrate on his wages as a percentage of sales and his materials as a percentage of sales, and we showed him that information and we went over, this is what you did to reduce that percentage down, that's excellent, let's keep working on that; and let's try this extra tiny little thing for the next month.

So, we just kept on repeating that process over and over again for him. And fast forward six years now, he has no home loan debt, so he has no tax office debt, no supplier debt and he's actually been able to start increasing his super contributions. So now he owns a property that his business rents from him in a self-managed super fund at the same time.

So, that went from someone who should have gone bankrupt to a fantastic success story. He's making \$250,000 profit every single year as a person who has three other electricians working for him. So, really, really good, profitable...

Paul Tidy business.

Steph ...Not killing himself in terms of hours that he's working. Doing the jobs that he wants to do. And just, he's a different person to six years ago. I say to people, that was all him, he's the one who learned what he needed to do and he's the one who went through and was disciplined in the structure that we were trying to give to him and in doing the action items that he needed to do. And our job, and our role in that process, was encouragement, it was motivation, it was answering the tiny little things that were going through the back of his mind and just really pushing him to keep going.

We didn't do anything that was rocket science or weird and wonderful that anybody else could have done, we just made sure that we were there for him and that we kept on showing him progress, showing him what he'd done and really pulling out what next, what next, what next.

Paul Brilliant story, and it does encapsulate that, you know, digging the data, finding the information, drive one or two decisions into actions, hold him to account, rinse and repeat. Like you say, it's not rocket science. For a business that's turned into a great story.

Which brings me onto my penultimate question. It sounds as though you use – and you've mentioned it two or three times in the way you work with your team – the power of stories seems to be important, Steph, in the way you work with your team. Have I got that right?

Paul I got all of your electrician story so that's fantastic. The power of stories, Steph – how important is that in the way you communicate with your clients and your team?

Steph It is the ultimate. It is literally just the ultimate thing. You have to be able to tell those stories.

Paul Why is it so important?

Steph Because clients resonate with stories. It's something that everyone can get behind, everyone can believe in, everyone can understand and see and get motivated by. If you don't have those stories and you can't show clients what's possible, both for their own business and what you've been able to do before, it's actually hard for you to get that buy in from people.

Paul Following that through, when you're in a meeting with a potential new client, do I get it that you're then sharing one or two relevant stories of work you've done with clients with this potential new client? Is that what you're doing? How are you using stories in that setting?

Steph Always. I tell stories in everything that I do, so every presentation that I do, every single time I'm meeting new clients, every time I'm meeting existing clients, and sometimes it's a time story, sometimes it'll be about another

client that we've done something with. But for me, the power of the story equals buy in. The power of the story equals motivation, it equals something that people can believe and then think that they can do themselves.

Paul           Okay, so me capturing your story ticks that box as well. There's the whole point. So, one of the... This has been a fantastic interview, Steph, I really appreciate your time and your effort and energy and your willingness to be very open.

What I just want to drill down to as we head towards the end of this is, what do you think are the rules of thumb to being a successful business growth, business advisory accountant? You know, those little... If you were a carpet fitter it would be, measure twice, cut once.

In that role of running a business, which is ostensibly a business growth, business accountancy business, what are the rules of thumb that you think underpin the success of a business growth business?

Steph           So, it's actually our tagline at Growth Wise. The first thing is, we as individuals have to learn to think and it's a fascinating word and a fascinating thing for you to really get your head around, but our job is not to be robots. Our jobs are not to regurgitate information. Our job is to think. And the role of an amazing business advisor is to be able to sit back and think; think what the client is feeling, think what the client is trying to say to us, think about what we're trying to get the client to do, think about how we can get them to understand the urgency around this action or

think about how we can show and present to them what's actually going on in their business in that first instance.

And what happens in understanding thinking as a crucial role is, it then becomes important for us as business advisors to constantly be learning. So the next part that I think is crucial in everything that we do is, always be learning. So we have rules inside Growth Wise that if you're not contributing to our learning channel and slack every day, you're fired. It is a non-negotiable. Which means everyone in our office is thinking every day, everyone is learning every single day. We're learning from each other, we're learning from ourselves, we're learning from our clients. And those two key components and core thing which become cultural becomes what you do on a daily basis, then mean that we get a license, effectively, to help our clients grow and kick ass.

There was a lot of thought put into our tagline at Growth Wise: Think, Learn, Grow, Kick Ass – and it's written on our walls, we articulate that to our clients all the time, because from our perspective, not only a great business advisor but an amazing business owner will fundamentally understand the need to think constantly and fundamentally understand the need to learn and learn so much more than just their trade.

Paul Yes, it's broader, isn't it? And Steph, that's, you know... I can say without fail all the interviews I've done, the obsession with learning has come through in every one. Without it, we're lost. The value we can deliver is diminishing as a consequence of not learning. So you've got a daily, weekly obsession, it becomes part of who you are and, like you say, the culture of the business.

So, if I've got that right it's: Think, Learn, Grow, Kick Ass, is that right?

Steph            That is correct.

Paul             Right, so I get the think bit, I get the learn bit. As a consequence if you articulate that and share it and drive it towards actions and accountability, you're heading towards kick ass. And I guess culturally, Australia is different from the UK, different from the US. Having a strap line with 'kick ass' on the... I'm not sure it'd go down as well in the UK as it might in Australia. Or do you think I'm just being a pommy wimp there?

Steph            No, it does not go down exceptionally well in Australia either. What it does do is, it really sets what Growth Wise is apart. No one is coming to our business who does not want to change something dramatically in their own business. We don't have any lawyers as clients at Growth Wise [laughs]. Not one. And that's for a reason. So for us it was really a good branding, a conscious decision, because we want to attract entrepreneurs and people who want to change the status quo and you're not going to get someone who doesn't understand that coming to us with 'kick ass' on our walls.

Paul             Have you got any farmers?

Steph            We do.

Paul            That's interesting. Right. Steph, that's absolutely brilliant. So, to finish. They say that the cracked pot is worth more than the perfect pot. That story is about, no one runs a perfect business, we've all got stuff to improve, fix and drive forward. If there was one aspect of your business that you think you're finding the toughest and that you're working on at the moment, what would you say that would be?

Steph           I would agree that every single day there is something imperfect that we are actually doing as a business. For us, at the moment, it's drilling down the learning to the next level in our team. So, one of the constant struggles for us is making sure that every single person in our team can deliver those top quality conversations, can deliver the stories, can ask the right questions. And that will never, ever be perfect. I'm nowhere near perfect in that situation. I make mistakes every single day in conversations with clients. So there's a constant that we always work on and that's a reflection of what's actually happened in a day. And being okay with the fact that we've made mistakes or we wish we could have done our time over again and wished we could have done this or said this or showed this or whatever it might be. And for us, the constant that we're working on is, none of us are perfect in any situation or scenario. So, we need to reflect and we need to share what we've struggled with every day and what that will do is, it will just make every one of us better advisors, little by little, every single day. To be honest I don't think we'll ever stop working on that and I don't think it will ever stop being our number one problem.

Paul Right, and hence your comment that everyone's got to contribute some learning into slack every day in order that every day, everybody moves forward in some way, shape or form.

Steph Correct.

Paul That's a brilliant way of finishing this interview. Steph, I can't thank you enough, it's been very generous of you to spend so much time with me across the water. I'm sorry we didn't get to spend more time together when we were at QB Connect in America. I look forward to crossing swords with you again at some point in the not too distant future.

What I'll now do, I'll turn this interview into a transcript; I will share that transcript with you so that you can use it however you see fit and it will feature quite substantially, I can say categorically, in the book and I look forward to sharing a copy of that with you when it's ready in the new year.

Steph That'd be amazing, thank you.

Paul I hope you have a lovely evening. I'm going off to make a cup of tea now as a good Englishman should.

Steph And you enjoy the day ahead.

Paul Thank you, Steph, I much appreciate your help. All the best, bye.

Steph

Bye.