DIAGNUSTAX NEVERNMO THE TECH STACK

HERE'S THE



6 steps to select the tech your clients really want from you The Tech stack, it's one of those digital accounting jargon terms that's been thrown around for a few years now. When you hear it, it conjures up images of new age accountant Steve Jobs wannabes, with their trendy specs, designer stubble and black polo necks, drowning in software. Or maybe, you just see a stack of PCs, keyboards and fax machines, (if so, this download probably isn't for you).

But what the hell does it actually mean? I mean in real bottom line, business terms. Er, hang on a minute, isn't this download about the client deck, not the tech stack? Ahhhh the force is strong with you Young Jedi, stay with me and all will be revealed. First though, let's get our heads around, 'what is a bloody tech stack?'



Here's what you'll find inside:

Has the tech stack still got it?

(Click me)

- How many apps?
- **OUT NOW:** Client Deck (tech stack remastered)
- "Client Deck" The Compilation by The Top 1% Accountancy Business Owners
- Mixing your Client Deck
- Tech Stacks Should Carry A Health Warning by Mark Telford, Telford Chartered Accountants
- Client Deck 101: 6 steps to mix your Client Deck
- Getting started: Don't go in tech first



HAS THE TECH STACK STILL GOT IT ?

Well apparently, definitions differ massively across different industries, excellent! That makes it nice and easy.

Here's a few to sample...

Definition #1

"A set of software that provides the infrastructure for a computer. The stacks differ whether installed in a client or a server." PC Mag

Definition #2

"A tech stack is the underlying elements of a web or mobile application. These are the frameworks, languages, and software products that everything else is built on." Hubstaff Pardon? Parlez vous anglais??

....nope thought not, think we can find something a bit more relevant...



Definition #3

"The "technology stack" is a term increasingly heard and refers to all the software products and tools in the modern practice and introduced to businesses." ICAEW

ICAEW to the rescue, that makes a bit more sense, but so what? What does it mean to my business?

Definition #4

"Apps required to set up your business infrastructure, to keep you functioning well and help you grow as cleanly and quickly as possible." Chris Schwalbach

Huzzah! At last, someone speaking a language that means something to the business owner…bravo Chris Schwalbach, said like a true entrepreneur (even though he might be from across the pond ≌). After discovering this definition, we had a little look into this chap and his business, AVL Growth Partners.

"AVL Growth Partners is a committed, Full-Stack CFO Firm for rapidly growing small and medium enterprises. We are your dedicated finance and accounting team, "always on", responsive and available whenever you need us.

As a full-stack CFO firm, we provide a complete breadth of skills and finance & accounting expertise; flexibly delivering services how you need it, when you need it. Because we live and breathe with high-growth clients every day, we execute in timeframes that sync with the cadence – and chaos – of your growing business and ever-changing needs."

There are two main things that jump out (1) for good reason (2) for the wrong reason:

(1) 'flexibly delivering services how you need it, when you need it.'

Yes! Yes! Yes! This is your sneak preview into the essence of the client deck...we have a 1%'er on our hands here (what is a 1%'er?)

(2) 'Full-Stack CFO Firm for rapidly growing small and medium enterprises.'

Uh oh! Unnecessary jargon alert! Although, we'll give AVL Growth Partners the benefit of the doubt on this one because maybe this phrase is common business lingo in the states. Simple rule of thumb though, don't bother with jargon, just KISS (Keep It Simple Stupid.....nothing dirty mind!).

For those thinking.....not more jargon, what does full-stack mean?! I'm not going to labour on it, but it stems from the developer community for an individual who can do both back-end server development and front-end web development. Wish you hadn't asked?? 😂

In a nut shell, it's hip, trendy, modern word for 'all encompassing' or 'end to end'. But let's just leave that there, we've enough to tackle.

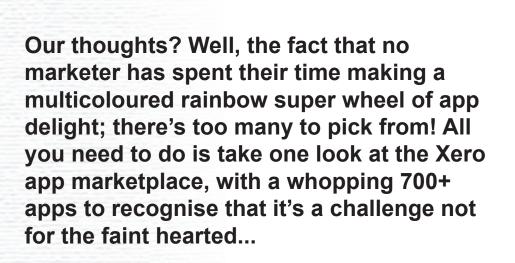
HOW MANY APPS?

Unless you've been hiding beneath a rock for the last two years, you'll be no stranger to the spiralling number of apps available for accountants today building up their tech stack. But just how many apps are there?

That's a bloody good question that we don't have the answer to, sorry! Even through our EXTENSIVE research (15 mins sifting through Google \bigcirc), we were unable to determine just how many apps exist now for accountancy businesses.

Matt Flannagan, Blue Hub says... A question I regularly get asked is "Can you tell me the top 10 apps to use?", I reply of course and retort with "What are the top 10 business problems your clients are having?". The whole app advisory is being approached from a tech-first perspective which is completely the wrong way round, firms shouldn't be learning 700 odd apps based on the off-chance their clients may need the! My advice is to speak to your clients & prospects, understand their business problems then look to offer... ...resolutions which may or may not result in the use of an app (it could easily be a process change that could make the difference!). Rather than invest time in learning apps, invest time building a robust process that allows you time to spend listening to your clients with a view to then working out how you can offer greater value solutions (including apps but not exclusively) based on recurring problems you are seeing across your client/prospect base.

Matt Flanagan, BlueHub





Here's just 100 of the apps available to you via the Xero app marketplace; imagine 600 more?





(Tech Stack Remastered)

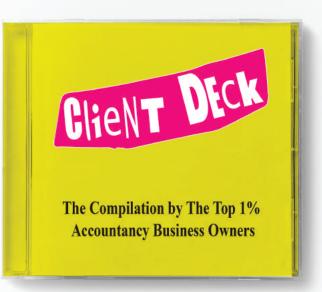
New kid on the blog, 'Client Deck' brings something to the table, that the Tech Stack just couldn't offer.

Reflecting on the Tech Stack, it just feels like there is something missing:

"Apps required to set up your business infrastructure, to keep you functioning well and help you grow as cleanly and quickly as possible."

> Yes, that's what's missing, THE CLIENT. Introducing...

The Client Deck is the brain child of some of the finest accountancy business owners the UK has seen this year, recorded and produced by Diagnostax. Here's what it's all about.



The Client Deck is the concept of selecting and

embedding technology into your business, based upon your client's needs, always putting the client first. Because without your clients, what have you got really? A super slick, all singing, all dancing smooth operator $\frac{\pi}{3}$, making zero money and offering a fraction of the value you could be to your client.

Accountancy firms often say, "we are client focused, or client centric", without getting to the heart of what it really means.

So here goes, it means listening, probing, challenging and listening again. To understand your clients on a much deeper level and becoming totally obsessed, taking that insight and creating the best possible experience that you can for your clients.

Before mixing your Client Deck, you need to need have deep dived properly with the client.

The Tech Stack focused on one of two approaches, selecting the most popular app, or asking clients but without doing a deep dive exercise with them to properly understand their emotional drivers, as well as the logical and practical drivers.

The UK's finest: DECATOR CHEENER DECK

We're firm believers of learning from and listening to your peers, those who have tried, sometimes failed but eventually through sheer determination succeeded (it's the tried bit that matters the most).

Thought leaders or experts (such a non-word), often share lots of new concepts and ideas that can trigger small changes in the way you think but nothing beats first-hand experience. In fact, all the insight we have derived is from working closely with DTXers and other accountancy business owners; learning from their experiences.

So, instead of telling you how we think the perfect client deck is mixed, we've decided to turn you into a fly on the wall of a 1% firm, listen to the beats of the Xero's Most Valued Professional 2018.

Mark Telford, Telford Chartered Accountants ***TECH STACKS SHOULD CARRY AHEAITH WARNING**"



Bio

Name: Mark Telford Business: Telford Chartered Accountants Stats: Xero Most Valued Professional 2018

Why the Client Deck?

For the past year or so, as the pace of the move to the cloud has increased, accountants have been increasingly bombarded with the need to build a 'tech stack'. The marketing monster which is pushing you towards buying in all the new shiny toys with the apparent purpose to increase your practice efficiency, drive productivity, increase fees or maybe all three.

The fear being if you'd don't buy into all this new tech you're doing something wrong – "all the cool kids have it"...right?

Wrong.

If you really want to drive an efficient and profitable practice providing great services to clients, you need to flip this on its head.

Work out the type of clients you want to work with, the services they will need and then work out what 'tech' will be needed to deliver these services.

Mark's Client Profile

Our target clients are ambitious, motivated business owners who value our input and the services we provide. We're not sector specific, although we do have a bias towards the property, construction and professional services sectors.

Our ideal clients will typically be confident and direct, they want us to give them the hard facts – no fluff or bullshit – which is how I like to do it.

Why Telford Chartered Accountants?

Clients choose to work with us because they connect with what we are doing, that could be the sectors we work in, the way we approach our work and how we treat clients. Often leads are generated from the content we post online – typically on LinkedIn.

My practice is small, and it will stay that way. We limit the number of businesses we work with, it's not growth at any costs. So, we can be selective about who we work with.

I say 'my' practice as it's built around my personal brand but it's not just 'me', I'm backed up by a great team. When a client comes on board, they know the individuals they will be in contact with, it's a very personal relationship. Client's come to us usually because they want help and support to achieve more.

Two recent examples:

One new client is currently using Sage and was keen to move to a cloud accounting platform as much of their other business software was cloud based and a lot of work was done remotely. The business owner had seen one of my posts on LinkedIn about moving a client from Sage to Xero and got in touch.



Another had been with an established 'old fashioned' regional practice who had moved the client from Sage desktop to Xero but didn't move their client service from a traditional 'desktop' approach to a modern 'real time' approach. The client was frustrated, had seen a few of my posts on LinkedIn, connected with me and then shortly after my Xero MVP Award – got in touch.

My Client Deck

The tech we generally use is focused on <u>Xero</u> (of course) with bank feeds, <u>AutoEntry</u>, <u>Receipt Bank</u> or <u>Hubdoc</u> and occasionally <u>Castaway</u> or <u>Fluidly</u> for forecasting.

I've looked at and trialled to varying degrees Futrli, Spotlight Reporting and Fathom but in all honesty, it's not needed for our client and I don't use it. The products seem to have been designed by accountants for accountants. A huge amount of financial information is produced and for most business owners this is just information overload and their eyes glaze over, even the most financially literate one's.

As I see it these products will be more suitable for larger businesses - £2m+ turnover and where there are multiple departments/revenue streams with different margins and longer cash cycles. And larger practices with a big client base where only a small take up is required to justify the subscription.

There must be a significant take up amongst clients to make the subscription worthwhile as $\pounds 200+$ a month with only one or two clients paying for the reports is not cost effective.

I've found that by keeping Xero up to date, inputting an annual budget and using Xero reports plus a cash forecast – usually in Fluidly, then that can provide as much information as is needed.

We use <u>Accountancy Manager</u> for Practice Management, but even with this I've restricted our use. There is a huge danger with PM software that you can start to create additional work by building in processes which weren't there before and don't need to be there now! We're a small team and I like to keep systems and processes simple. Accountancy Manager is used as our goalkeeper – we enter all client details, we use the task list daily and it helps make sure accounts, tax returns and confirmation statements are filed on time. That's pretty much all we use it for

We use <u>Trello</u> for our core tasks – bookkeeping, vat returns, annual accounts. A nice simple, very visual way to make sure everything is kept on track.

We use <u>Go Proposal</u> (GP) but tend only to use this when quoting to new clients or where services being provided to existing clients change considerably. The pricing spreadsheet I used before implementing GP has a pricing structure very similar to GP so we didn't really see a price uplift once we started using it. The main reason to start using GP was the ease with which proposals could be generated when with a client and the complete transparency of the pricing.

We now use <u>Diagnostax</u> tax diagnostic software to determine a client's tax advisory needs, ensuring we highlight all the potential tax saving opportunities, and available tax reliefs.

I haven't made any reference to communication with clients as I think the channels we already use work really well – we keep it simple – email, mobile, landline, text, <u>WhatsApp</u>.



Mixing My Client Deck

I constantly look at new or existing tech that we don't currently use. Maybe I've tried it in the past and discounted it and decided to revisit it, maybe it's new and I haven't looked at it before.

Ultimately the tech we decide to use must be able to answer one or more of the following:

- 1. Will it help us get the work done quicker?
- 2. Will it improve the services we currently provide to clients?
- 3. Will it allow us to introduce new services to clients that they need, want or may be interested in?

If a client has a specific need, we will help them identify other software which they may need.







STEREC

What's Hot?

Two big game changers for us in the last 12 months have been the adoption of <u>The Gap</u> for business support and development – usually referred to by the market as 'advisory' which I think is an awful description.

And <u>Diagnostax</u> which is a great addition to the service pack for small practices that don't have a specialist tax function but want to make sure their clients aren't missing out.

It's these latter two which are integral to the growth and development of my practice over the next 12-24 months.

My Top 3 Tips

It's important that accountants don't rely on the tech to do the work. The client relationship is so important and the ability to develop a strong connection. For me it's important to be authentic – be straight with your client and base your services and advice on what you believe they need and what has been successful with other clients.

And show empathy – you need to understand what they're going through which shouldn't be difficult – after all you're running your own business and will have faced similar issues to your clients.

So, my three tips to building a client deck:

- 1. Only work with clients you like, respect and enjoy working with. They should also value your service
- 2. Only do the work you're confident you can do to a high standard. I don't deal with Trusts or IHT so I will always refer that work to someone else.
- 3. Focus on your systems, processes and pricing which if you get right will allow you to deliver great service levels and run a very efficient and profitable practice.

How long did it take?

What we're achieving now didn't come automatically it has taken a lot of trial and error. But by focusing on systems and processes we've been able to make the transition from being a predominantly compliance led practice to one which is now leading with business advisory.

I've been able to free up 50% of my time in the last 12 months to focus on advisory work which is what I believe all small practices should be working towards.

Reach out to Mark (or stalk him)

"I'll be coaching other accountants on a 1-2-1 and group basis. There is plenty of work out there for all of us and we owe it to our clients to provide the best service we can and to help them achieve their goals."

Help setting up your Client Deck

For many accountants, setting up your Client Deck isn't an easy or natural progression.

In

To support accountants through their transition, I am working with other accountancy businesses that would like to develop a business model where there is a heavy emphasis on advisory work. I provide coaching on a 1-2-1 and group basis.

There is plenty of work out there for all of us and we owe it to our clients to provide the best service we can and to help them achieve their goals.

And don't worry, I won't be trying to sell anything I haven't done or tried myself. It is a 'this is what I did, and it worked' type approach.

CLIENT DECK 101: 6 steps to mix your Client Deck

Mixing your perfect Client Deck might seem like a daunting task, especially if you're new to digital accounting. Using our insight and the experience of some of the top 1% Accountancy Business Owners in the UK, we've broken it down as simply as possible, into six easy to follow steps.

Spin the deck and follow the beats. 3



1. Which way to go? 2. It's all about you 3. Check yo'self 4. What's out there? 5. Gotta find a way 6. What can I do now?

"Which way to go?"

Before you begin your mix, make sure you have pinned down your SMART business goals. Now this might sound obvious but before you start mixing your Client Deck, you need to be clear on what you want your business to achieve.

Track

Couple of tricks:

- 1) Set goals that are realistic, and that you can achieve in the time frame that you have agreed.
- 2) Remember, goals can change, don't be afraid to amend them.
- 3) Focus on quality, not quantity. Look at the relative importance of everything that you want to achieve over the next six to twelve months and pick no more than three goals to really focus on.
- 4) Make them SMART....let us show you what we mean, this doesn't have to be complicated

It's probably fair to say, most small accountancy businesses are looking to grow, so taking that broad goal let's make it SMART!

"I Want to Grow My Accountancy Business"

Specific: I will onboard ten new clients for my accountancy business

Measurable: I will measure progress by the number of new clients I onboard, while ensuring I retain my current client base.

Attainable: I will determine my perfect client and launch a social media marketing campaign, network with local businesses and ask existing customer for referrals.

Relevant: Acquiring new clients into my business will enable me to grow my business and increase my revenue.

Time-Based: I will acquire ten new clients within twelve months.

The goals you create will form the foundations of your Client Deck.

"It's all about you"

No matter how clever your marketing is, or how well connected you are, if your message doesn't speak to the person you are trying to reach, it's not going to help you achieve your business goals. And the clue is kind of in the name; mixing your "client" deck, is all about the client.

Track

So, now's time for the deep dive. You're about to become **TOTALLY** and **UTTERLY** obsessed with your clients. You may already be familiar with terms like "buyer persona", "customer profile" and "target market"; or this might be totally new to you. Beginner or pro, you're going to take these concepts and inject them with a hit of nitrous oxide, Vin Diesel style!

We're going to do something brave here and let you into our world, because if you haven't noticed yet, we don't tend to do things by the book!

Does this sound a bit like you?

OUR CUSTOMER OBSESSION

STATS

- UK based
- Accountancy Business Owner
- 1 20 employees
- Minimum 70% clients on cloud

PERSONAL CHARACTERISTICS

- 30s-50s
- Young kids, family person
- Personable approach
- Natural consultancy skill set
- Thinks like a business owner
- Enjoys success
- Process and systems mindset
- Open, honest and quietly confident
- Willingness to take a risk and learn through trial and error
- Will find a way, no matter what

BUSINESS APPROACH

- Set out to create a lifestyle business
- Deliver services in a systemised way
- Not afraid to outsource work
- Setup accountancy business to seize the opportunity of Xero
- Creates time so the focus is on managing client relationships
- Ultimately wants to deliver a service better than past experiences

EXPERIENCE

- Worked at a top 100 Accountancy Firm, previously worked in industry as an accountant, or held a FD, CIMA, Financial Controller, Finance Officer role
- Finance focused accountant who looks to the future & forecasting
- Members of CIMA, ICAEW, CIPFA

GOALS

- To increase revenues through attracting a larger bracket of client
- To offer a more extensive tax service, to compete for larger clients
- To achieve scalability through outsourcing
- To establish their name in the industry
- To build a personal brand

CHALLENGES

- To attract a higher bracket of client
- To cleanse business of bad clients
- To identify exactly who the perfect client is and why
- To make enough time to meet all clients as the business grows
- To scale systems & processes through outsourcing, or recruitment
- To deliver on the business strategy
- To select suitable outsourced partners to deliver services
- To stay one step ahead of the majority
- To build a powerful brand identity
- To integrate a tax service to attract higher value clients
- To create a business that delivers a better service than your average accountant
- To balance the demands of a business owner, with lifestyle

WEAKNESSES

- Trying to take on too much
- Onboarding too much software
- Lack of ability to take tax advisory beyond the basics
- Very high standard

At this point you might be thinking,

"yeah we know this about our clients".

So now we REALLY deep dive and get under the skin of the person, to consider the emotional drivers (the gooey real stuff), not just the logical and practical drivers.

FEARS

- Not putting themselves out there enough & challenging the status quo
- Not spending enough time with family

FEEL GOOD WHEN

- They are recognised as innovators
- They are winning
- They overcome the root cause of a challenge

DREAMS

- To build a business to be proud of, that achieves what they set out to do
- To be celebrated for doing things their way & not losing site of that
- To build a business that can operate without them
- To be recognised as a business, that isn't an accountancy firm, it's a brand
- To deliver exactly what they say they do....and beyond.

SHIT THEY WOULDN'T ADMIT

- They need recognition
- They are hesitant to say what they think at times

WOULD LIKE TO SAY BUT DON'T

- "Stop using bullshit jargon"
- "Thought leaders piss me off, don't tell me how to run my business, unless you've run an accountancy business

Check yo'self

Now you're going to listen back and see what's missing, or if you don't have a bloody clue what we mean, this is your client aspirations gap analysis. You want to evaluate everything you currently do so you get the "big picture." In this exercise you're going to reveal how your business currently meets its clients' aspirations and where you would like to be.

- 1. Start by listing out your current services lines
- 2. Using your client obsession, list out your client's aspirations
- 3. What's not being delivered to clients that should be?



- Cloud accounting
- Preparing accounts
- Tax Returns
- Management accounts
- Board/management
 meetings
- Bookkeeping
- Payroll and VAT
- R&D Tax Credits

CLIENT ASPIRATIONS

- A successful business
- Achieve business and personal goals
- Achieve a work life balance
- Business growth
- Increase profits
- Improve productivity
- Make cost savings
- Tax efficient as possible

SERVICE GAP 1

Tools to support clients with business development – business planning & coaching, profit and cash flow improvement, organisational reviews, retirement and succession planning.

SERVICE GAP 2

Tools to ensure all tax reliefs, tax saving opportunities and tax advisory needs are identified for a client.

SERVICE 1

SERVICE 2

The Gap 2014

Diagnostax

What's out there?

Once you can see the gaps that exist and how they're preventing your clients from reaching their aspirations and you from hitting your business goals, you need to try to fill them.

This is the hardest part of mixing your Client Deck; bridging the gap.

DO A SWOT

A SWOT is a really simple way of quickly identifying your internal strengths or weaknesses and comparing them against external threats or opportunities. Through this



Track 4

quick and easy exercise, you will soon identify the gaps to bridge.

Remember! The SWOT is to be completed from the perspective of meeting your client's aspirations.

STRENGTHS	WEAKNESSES	
OPPORUNITIES	THREATS	

SPEAK TO YOUR PEERS

There is an even simpler approach you can take – just ask yourself these questions:

- Which accountants are leading the way? Check out some recent award winners...
- Or, which accountancy businesses do you aspire to be like?
- What new services are they offering to their clients?
- What software are they using?

Don't be afraid to approach the owners of these businesses, to learn from them.

Get active on LinkedIn and Twitter. Grow your network and engage with some of the most forward-thinking accountancy business owners out there. Everyday we learn something new from the 1% crew, regularly sharing everyday insight, articles, events and experiences.

JOIN GROUPS OR FORUMS

Now we specifically mean groups, as opposed to networks. Why? Because there is no monetary benefit for the organisers. They are completely unbiased, providing a forum for likeminded business owners to exchange their experiences, thoughts, opinions and feedback.

We've heard the GoProposal Facebook Group and Matt Flannagan's Facebook Group is a particularly active group of progressive business owners, who really place the client at the centre of everything they do. How do we know? Our customers of course. And the best bit? No software providers are allowed in, meaning you can openly discuss without the fear of being sold to! Trust us, we've tried to get in. 💝

XERO MARKETPLACE & QUICKBOOKS APP STORE

Once you have an idea of the areas you need to plug, the Xero Marketplace and Quickbooks App Store are a great place to research your options.

Warning! Don't be tempted to head here too soon, you'll be completely overwhelmed by the choices.

AND most importantly remember Mark's three questions:

- 1. Will it help us get the work done quicker?
- 2. Will it improve the services we currently provide to clients?
- 3. Will it allow us to introduce new services to clients that they need, want or may be interested in?

Gotta find a way

Track 5

In the words of Mark Telford, "Focus on your systems, processes and pricing which if you get right will allow you to deliver great service levels and run a very efficient and profitable practice."

You know who your perfect clients are.

You know their aspirations.

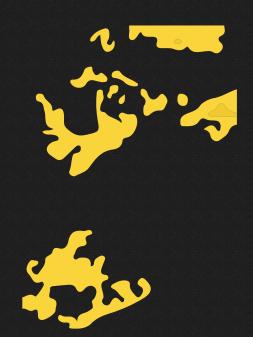
You know where the gaps are in your service.

You now have three options to setup your systems:

- 1) Existing resources
- 2) Adopt tech
- 3) Outsource

No matter what you'll never be starting from a blank canvas. Is there a way to deliver that service by adopting the approach of another business? Make use of groups, forums and peer relationships, to get your systems established.





CLIENTS. RESEARCH. SYSTEMS. REPEAT.

CLIENTS

Your perfect client deep dive won't ever be perfect. It will continuously evolve.

The more you learn about your business and your perfect clients, the more opportunities and ideas that will surface. Keep developing more insight and learning from the most important people you know. Your clients.

RESEARCH

Like Mark, constantly be on the lookout for new tech, practices and services. Explore new tech or services you've never tried and revisit those that might not have been appropriate at one stage.

Client's needs are constantly changing, meaning your business will do too.



Remember, you have three options to bring in your new systems: existing resources, new tech, or outsource.

Never stand still, keep growing and iterating your systems.



GETTING STARTED Don't go in tech first

So, here's our parting words to help you build the tech stack, ahem, we mean Client Deck your business and clients need:

- 1: Don't go in tech first; it's always about the client.
- 2: If you aren't already, become obsessed with everything about your clients.
- 3: Do a check, are you delivering what your clients want?
- 4: Get on LinkedIn and start some conversations with fellow accountants you can learn from.
- 5: Select the tech that will improve your existing services to clients and bring them new ones!

If you suspect tax is a gap in your service, working with Diagnostax you can now diagnose all the tax advice a client needs, as well as accessing a specialist tax function for delivery.

Find out more at <u>www.diagnostax.co.uk</u>.

Connect with us

TWITTER: @Gwilym_DTX @Diagnostax

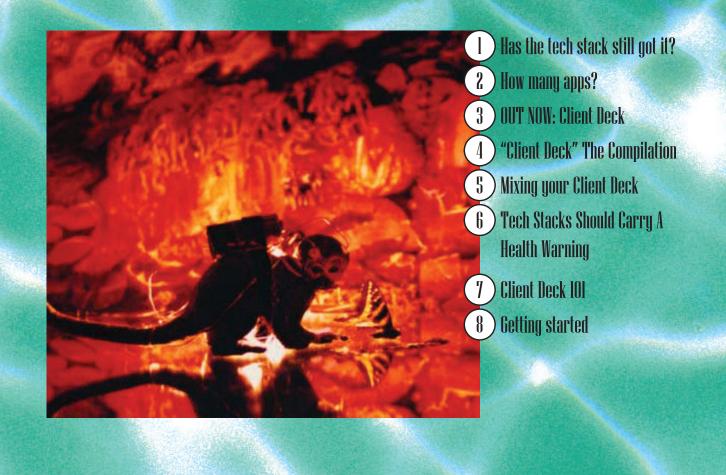
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