

Business Advisory News for Accountants

"Trusted Adviser" Status Challenged

In mid-2015, accountancy businesses are facing a wide range of challenges. Accountants need to develop strategies to respond to the challenges to maintain the accountancy profession's premier rating as the "trusted adviser" to small/medium enterprises.

These challenges include:

- Effects of "Digital Disruption" – Deloitte has predicted that professional firms (of which accountants are part) will suffer a 32% change in their businesses, due to the effects of "digital disruption", if they do nothing over the next few years.
- The Australian Taxation Office (ATO) is proceeding with a plan to introduce Standard Business Reporting (SBR) which the ATO believes will result in a "red tape reduction" of, at least, \$500M per annum. The vast majority of the "red tape reduction" is expected to relate to accountancy fees. This will encourage small/medium enterprises to ask for their "red tape" discount! There is a strong possibility that the Australian government will promote this "red tape" benefit to small/medium enterprises in the next Federal government election campaign which probably mean that accountants will have enquiries from small/medium enterprises as to whether they have received their "red tape" discount in their fees.
- There are continual challenges emerging from competitors based in overseas countries and from business coaches and consultants in Australia.
- Outsourcing is creating a competitive pressure for firms which are not outsourcing some of their work. This is a new problem that is starting to affect accountants all over Australia.

What can accountants do about these very challenging circumstances?

Facing These Challenges

One way that has been suggested by many leading commentators on the accountancy industry, is for accountants to adopt a far wider commercial presence by offering clients "business advisory services".

Business advisory services include a range of products not connected with income tax returns, including:

- Debtors' Management
- Cashflow Management
- Succession Planning
- Business Planning
- Personal Property Securities Register Due Diligence System
- Advice on Selling a Business
- Advice on Buying a Business
- Getting Ready to Raise Capital

These are just some of the items for which accountants could consider developing skills so that expanded services could be offered to small/medium enterprises.



Surveys Conducted

It's interesting to note that a number of major surveys, conducted by CCH, MYOB and other organisations, have identified that small/medium enterprises want to be supplied with a wider range of services.

The CCH survey¹, conducted a couple of years ago, identified these key issues specified by small/medium enterprises:

- management of costs
- management monitoring
- business plans
- assistance in raising capital or loan funds

The MYOB survey² asked the question: *"What type of advice would you like to receive from your accountant?"* The survey responses identified:

- future planning
- business analysis and interpretation
- raising finance
- succession or exit planning

Accountants Can Assist

ESS BIZTOOLS has developed a range of products to assist accountants to offer business advisory services to small/medium enterprises to help build value for their businesses. These services will contribute to accountants retaining the "trusted advisers" status.

You're invited to sign up for a no-obligation 30-day trial of ESS BIZTOOLS, whereby you will be given the opportunity to test the system. [Click here](#) to try ESS BIZTOOLS for free, or visit www.essbiztools.com.au.

As a preview of what's contained within ESS BIZTOOLS, a complimentary copy of **"Opportunities From Digital Disruption"** is attached with this transcript.

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¹ *SMEs - the fine line between failure and success*, CCH, April 2013

² *MYOB Australian Small Business Survey*, MYOB, August 2004