


BUSINESS ADVISORY SERVICES

INTRODUCTION TO BUSINESS ADVISORY SERVICES


Paper 570-001


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FORMS

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BAS001 – Predictions of Accounting Businesses Evolution 2014-2017
BAS002 – Vision for the Future of Accountancy Businesses
BAS003 – Implementing BAS Strategy
BAS004 – Accountancy Businesses Coaches
BAS005 – Current Business Advisory Service Income Generation
BAS005 – Current Business Advisory Service Income Generation – Excel Worksheet
BAS006 – Checklist for the Introduction of BAS
BAS007 – Partner Evaluation
BAS008 – Team Member Survey Questionnaire
BAS009 – Succession Planning Form
BAS010 – Checklist of Attributes of A & B Class Clients
BAS011 – Checklist for Strategies for Individual Tax Return Clients
BAS012 – Client Questionnaire
BAS013 – Checklist of Some of the Potential Productions Services
BAS014 – Clients in Industry Groups
BAS015 – List of Key Products that could be offered as part of Business Advisory Services
BAS016 – Template for Report on Business Advisory Services
BAS017 – SME Needs' Analysis
BAS018 – Chief Financial Officer Services
BAS019 – Strategic Management Consultancy
BAS020 – Business Evaluation Workshop Checklist

BUSINESS ADVISORY SERVICES

INTRODUCTION TO BUSINESS ADVISORY SERVICES



Paper 570-001



1. Consideration Of Business Advisory Services

To assist you in the understanding of “Business Advisory Services” we have prepared a paper “From Compliance To Business Advisory Services” - Paper 500-073.

The key components of this paper are:

- Predictions of Accountancy Business Evolution 2014-2017. (BAS001)
- Vision for the future of accountancy businesses. (BAS002)
- Implementing Business Advisory Services Strategy. (BAS003)

Many firms have decided that they require the assistance of an accountancy business coach to assist in the review, planning and introduction of business advisory services.

- Accountancy Business' Coaches. (BAS004)

Some papers to assist in considering Business Advisory Services:

- Creating Better Business Advisory Services Systems - Paper 500-001 (Paper 500-001)
- Introducing A Business Development Culture - Paper 501-003 (Paper 501-003)
- Development Of A Practice Development Enterprise - Paper 500-002 (Paper 500-002)
- Management Of The Practice Development Enterprise - Paper 500-006 (Paper 500-006)
- Turning Your Accountancy Business Into A Client Business Centre - Paper 500-070 (Paper 500-070)

2. What Needs To Be Done To Introduce Business Advisory Services?

- Analyse the accountancy business' current financial performance and compare to benchmarks. (Item 3) Yes ☐ No ☐
- How much income is currently being generated from business advisory services type work? (Item 4) \$
- Partner evaluation of the accountancy business' readiness for business advisory services. (Item 5) Yes ☐ No ☐
- Team member interviews to determine their attitude to “business advisory services”. (Item 6) Yes ☐ No ☐

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- Identification of team members who could be encouraged to be active participants in business advisory services as part of the accountancy business' succession planning strategy. (Item 7) Yes ☐ No ☐
 - Classification of clients into "A", "B", "C", and "D" (if not already done so). (Item 8) Yes ☐ No ☐
 - Interviews of "A" and "B" class clients to determine their attitude to business advisory services. (Item 9) Yes ☐ No ☐
 - Review products/services that could be offered to clients. (Item 10) Yes ☐ No ☐
 - Classify clients into industry groups and determine fees being earned from individual industry groups. (Item 11) Yes ☐ No ☐
 - Prepare a list of the key products/services that the accountancy business would like to offer, as part of the delivery of business advisory services. (Item 12) Yes ☐ No ☐

3. Analysis Of Accountancy Business' Current Performance

If you don't have a benchmark comparison of your accountancy business to industry benchmarks within the last twelve months, it is recommended that you subscribe for a benchmark comparison with:

- Benchmarking.com www.benchmarking.com.au
- CCH Benchmarks www.cchifirm.com.au
- Smithink 2020 Pty Ltd www.smithink2020.com

When you have undertaken the benchmark comparison, analyse perceived areas requiring performance improvement.

- List items, requiring performance improvement, so that a discussion can be held with the partners.

4. How Much Income Is Currently Being Generated From Business Advisory Services?

Analyse your accountancy business' income dissection for the last twelve months and identify the income earned from non-compliance areas (other than tax, CGT, FBT, audits, insolvency etc.)

- List the income generated from business advisory services on the current business advisory services income form via the following link: (BAS005)

5. Partner Evaluation Of The Accountancy Business' Readiness For Business Advisory Services

There are a number of matters that an accountancy business should consider as part of the planning for the introduction of business advisory services:

- The checklist for the Introduction to business advisory services is attached. (BAS006)
- A partner evaluation form is attached. We suggest that partners complete this form before proceeding with the evaluation of business advisory services to determine the level of support and commitment from partners. (BAS007)

6. Team Member Interviews To Determine Attitude To Business Advisory Services

Each team member should be invited to complete a survey form to gauge his/her interest in the delivery of business advisory services to clients and prospects. (BAS008)

7. Succession Planning

The accountancy business that wishes to develop business advisory services will need to develop strategies for the training and mentoring of managers and other identified team members, on an ongoing basis, so as to groom team members for senior management/partner positions within the accountancy business.

This strategy, of having an ongoing commitment to training and mentoring of team members, should assist the accountancy business to attract outstanding accountants who wish to join the accountancy business.

- A succession planning form is attached. (BAS009)

8. Classification Of Clients

If the accountancy business has not already done so, it is suggested that an analysis be prepared of clients into "A", "B", "C", and "D" classifications.

Many accountancy businesses aim to only supply services to "A" and "B" class clients. This requires strategies to be developed for "C", and "D" class clients.

- A checklist of the attributes of "A" and "B" class clients is attached. (BAS010)
- A checklist of some strategies for individual tax return clients is attached. (BAS011)

9. Interview Of "A" And "B" Class Clients

As part of the planning to introduce business advisory services to the accountancy business, it is very desirable to obtain input from "A" and "B" class clients as to the type of services they would prefer their accountants to be able to supply.

- A client questionnaire is attached. (BAS012)

10. Review Of Products/Services That Could Be Offered

Obviously, the choice of products/services that could be offered is your accountancy business' decision.

- A checklist of some of the products/services is attached. (BAS013)

11. Classify Clients Into Industry Groups

By grouping your accountancy business' current clients into industry groups you will be given an indication of the benefits that could accrue to the accountancy business from developing specialist products/services for particular industry groups and being seen as an "expert" in particular industries.

A decision could also be made to encourage some partners and team members to become "industry champions" of particular industries.

- A form to assist in the evaluation is attached. (BAS014)

12. List Of Key Products That Your Accountancy Business Could Offer As Part Of Business Advisory Services

Following the reviews and analysis, a list could be prepared of the key products that your accountancy firm is proposing to offer clients and prospects.

- A suggested form is attached. (BAS015)

13. Summary Of The Investigation Of Business Advisory Services

You are now at the stage of preparing a summary of the items that have been investigated and interviews held, so a report can be submitted to the partners on business advisory services.

Items to be summarised include:

- Current business advisory services work being undertaken in the accountancy business. (BAS005) ☐
- Partner Evaluation of Business Advisory Services (two forms) (BAS006 & BAS007) ☐
- Team member comments. (BAS008) ☐
- Client questionnaire comments. (BAS012) ☐
 - In particular client identification of business advisory services that they would like to receive. (Item 32 of BAS012) ☐
- Income currently being generated by clients allocated to industry groups (BAS014) ☐
- Identification of business advisory services that could be offered. (BAS015) ☐
- Analysis of the accountancy business' financial performance as compared to benchmarks. ☐

The summaries are now able to be considered at a think tank meeting of partners and team members.

14. Report On Business Advisory Services Strategies

It is suggested that the partner or team member, responsible for the business advisory services strategy, prepares a report for submission to a "think tank meeting".

- A template for reporting on business advisory services is attached. (BAS016)

SIGNUP AS A GUEST TO ACCESS MORE BUSINESS ADVISORY MATERIAL

AN IMPORTANT MESSAGE

The forms and commentaries contained in this paper are provided as a guide only and should not form the sole basis for any advice in relation to the particular situation of any person without first obtaining proper professional advice.

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