

Feeling the magic

AdvanceTrack client Wood and Disney is a two-director practice based in Colchester, Essex. The practice badges itself as 'real-time accountants', using cloud accounting technology to access client data in real-time – so it can provide proactive and timely advice. We spoke to operations director Brendon Howlett about how AdvanceTrack has helped his practice develop.



Brendon, tell us about your practice

Peter Disney and I set the practice up in July 2013, and we head up a team of eight. We've been paperless for years – we love innovation – and won Most Innovative Practice (2-4 partner firm) in 2020's Innovation Awards two years ago. We took the decision six months ago to focus solely on the cloud.

We use various cloud accounting

packages, having taken the view that clients with paper bags of receipts, spreadsheets, hybrids are not the sort of clients we want. This is especially the case particularly when you consider Making Tax Digital, with four times a year reporting. Any client we take on, we say: "You have to be in the cloud." We facilitate – all staff are Xero and QuickBooks certified advisers. There are training sessions for clients if needed, or we take on the bookkeeping as well, which is where AdvanceTrack fits in.

When did you start using AdvanceTrack, and why?

We'd seen [AdvanceTrack founder] Vipul, had a good chat, then decided to use it as resource that will free up capacity. We commenced in June 2016. At the time we couldn't afford to give the client a competitive service to do the bookkeeping – we'd found a couple of bookkeepers locally, but they also reached capacity.

Our practice first outsourced accounts prep to AdvanceTrack. It was a flexible arrangement at the start, but we loved it. We took it a step further with the bookkeeping.

What impact has AdvanceTrack had on the running of your practice?

We had one client in London who was always last-minute on VAT returns, accounts filing, tax. We said: "This can't go on." They wanted to find someone to do the bookkeeping – we said that approach would cost them a lot and be an unknown quantity. They became our first client through AdvanceTrack. We now have a weekly fee with the client, and we're all happy.

That job, for example, runs itself. It frees up so much of our time from mundane historical data and getting it right – we're now on top of it on a weekly basis.

Another example: a bank we speak to had a client that wanted a loan, but their accountant hadn't sorted out their previous year-end data. We showed the bank examples of how we can keep up-to-date records, and now they're our best friends.

What is the future for your practice? What are you looking to achieve, and how?

When the noise got louder on MTD, we took the view to write to all clients and say: "This is going to happen, how will you cope?" Part of the solution is to use cloud accounting and if we can get the data right at the basic level – we're working with AdvanceTrack to get that right – numbers can then be analysed. From good analysis, the client and us can make better decisions. This should lead to better results, giving our clients better businesses and all of us a better life.



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AdvanceTrack founder Vipul Sheth on the impact of MTD and investment into the cloud



We talk to Wood and Disney director Brendon Howlett about how his real-time accountancy practice has been developed with AdvanceTrack

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The future is now

The changing practice landscape, the impact of MTD, investment into the cloud by the major software companies, and how AdvanceTrack is helping support practices be fit for the future. The company's founder Vipul Sheth talks to former *Accountancy Age* editor Kevin Reed about these key topics, and more

Vipul, what are the pressing issues for practices in the next 24 months?

Technology is the number one issue. Knowing which tech companies will be the winners – that's a very big unknown. They have made a lot of investment, but we don't know which will stand the test of time. I do think Xero and QuickBooks will be the two global cloud platforms... I can't see Sage being there. Unless Sage come up with something amazing, they're not in the game – as a Brit, I feel disappointed about that.

The profession is losing skilled staff through retirement and mergers, leaving a gap in experience and advisory skills. Younger staff like to use tech but are not always so proficient or experienced in client engagement – that's not true of everybody, but many naturally communicate through devices. The next generation don't always want to take the risk of running a firm, with the responsibility and financial exposure. Firms must consider how to provide work/life balance.

Back to tech-based communication: this will be fine for 90% of scenarios, but there will be an element of the client base that wants to engage, to meet up face-to-face. The next generation of practitioner needs to be able to 'press the flesh', and gain the confidence of client in a one-to-one situation. As such, succession planning is an issue that's never far away.

Is Making Tax Digital (MTD) the game-changer, and if so, why?

MTD is absolutely front and centre for everyone, but my view is 'never let the government write your business plan'. Build a business that goes beyond dealing with numbers; build a business that clients feel they can't do without.

MTD is concertinaing the time window to migrate people to the cloud to do things effectively. It's important that MTD is making firms visit this – but they should look beyond it. The law will make us help clients be compliant, but what do you do with that information? MTD will 'help' you keep clients out of jail – but it won't help you make more money. What will enable that is how you use that information to make clients run their business better.

What about longer-term for practices?

Everything comes down to client service. Moving to the cloud is an essential part of providing advisory services – keeping them compliant but using other tools to give better insight to what will be increasingly operational data. By offering clients insight, you can use data to justify where you are and what decisions you're making.

There will continue to be a market for compliance business but, over time, technology and self-service will replace those firms – if that's all you're delivering to clients.

Automation and AI – what should practices consider with regards their strategy, and staff levels?

Our top clients have already started moving staff to client-facing roles. When they recruit people today, the type they recruit are those they think could be partners in 10-15 years' time. If you have enough coming through with that skillset, you'll automatically have in-built succession... practices forget they're running businesses.

Key opportunities and threats



Opportunities: Tech is enabling practices to commoditise their services, which will allow clients to upgrade or downgrade their service on an ongoing basis. Practices will be able to have a mix of clients, and having live client data is going to lead to real-time conversations between accountants and clients – for those that require a deeper service.



Threats: Tech removing compliance clients; practitioner inertia; people in our area of the market going direct to customers, cutting the accountant out; and in Australia, bookkeepers are using technology to deliver services, cutting the accountant out from compliance.

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“Tech is used in young people's everyday lives. So practices must look at the range of skills they will need”

Where does AdvanceTrack fit into all this change?

We have been a tech-first supplier/provider to the profession. We will adopt tech that's developed by third-parties, or develop our own. Where we have really continued to progress is our need to be efficient, particularly in collecting and processing data efficiently – to help our practice clients deliver an amazing service.

Off the back of MTD and the need to keep clients compliant, we're able to give scalable bookkeeping solutions to practices and enable them to work with real-time data. This solution feeds into practices' other advisory-led and insight services.

What do potential clients ask you about AdvanceTrack's services, and what is your response?

The questions have hardly changed over the years! First, quality – how do you maintain it? How do you keep clients' data secure?

Our biggest challenge is those in the industry that have offered bad service, which makes it much harder for practices to revisit the option of outsourcing.

Some clients have come to our offices. They want to ensure that if working with a provider, we'd also look after our staff when working on their projects – part of their due diligence is to visit our offices and ask our team members any questions they want.



Vipul Sheth is founder of AdvanceTrack
Kevin Reed is a freelance editor

Tech is used in young people's everyday lives. So practices must look at the range of skills they will need. You will rarely find someone that can be an accounting technician, fully IT-literate, can run a practice and serve clients. Teams will need to be built to cover the bases.

Is it tough for firms to serve clients while everything is changing so quickly around them?

Forward-thinking firms have a small group of people running change programmes. They're the ones most successful at implementation, and some with non-accountants going into the technological change roles.

We all need to re-skill and keep developing. I've had several professional roles in my career, and am doing something very different to what I did 15 years ago. We must recognise that in ourselves, and also give people the time and framework to adapt.

What types of practice are impressing you, and why?

Some cloud-only firms are very impressive. They have no shackles, and are not wedded to a particular technology. Staff can work anywhere (which comes back to staff wanting work/life balance).

There are a handful of 'traditional' firms that have impressed me by having a big client and team base, looking after SMEs and using AdvanceTrack and other technologies to service a much wider cross-section of clients than they would have in the past – regional practices operating on a national or international level.

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