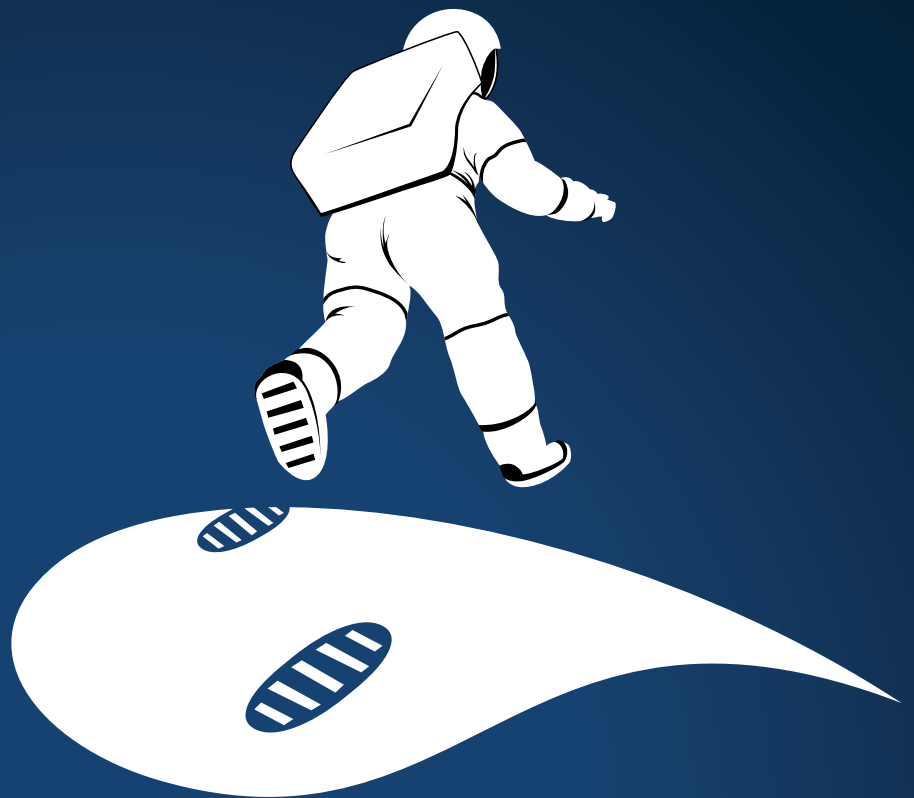


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One small step

Making your practice fit for the digital world seems daunting – so where should the process start?



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Leap of faith

Accountants can seem fearful of change, and their profession is described by some as slow-moving. This is strange, considering the bulk of their compliance work – tax and accounting – is an ever-changing beast. We discuss where to start your technological odyssey

Change in tax and accounting is relentless and seems to be picking up speed. For those that feel bogged down by the grunt work of manual processes, what changes can be made quickly that will improve their working life – and perhaps even provide a better client service?

For Nick Gregory, marketing director at IRIS, it is a tough proposition for smaller practices to add change that isn't 'forced' upon them, particularly smaller ones, when they struggle to keep up with legislative churn.

However, the combination of digitally-focused rules such as Making Tax Digital and GDPR mean that firms must develop their systems and processes.

Ultimately, the starting point is the client. If their information comes into the practice in a standard digital format, then every other step becomes easier. "You have to decide: do I want clients to do their own bookkeeping or manage it as a service for them – and even outsourcing it to someone else?" says Gregory.

For Gregory, getting this step into place is virtuous: as cleaner, more accurate and timely data comes in, time is freed up to provide higher-value services.

"Train clients to be more efficient and then use that to drive up productivity," he says. "A box of receipts gives you no intelligence; get it into a bookkeeping system and then into a more insight-based tech at your end, things then just snowball. If workflow tools are tied into compliance you can

then improve communication to clients. And the extra transactional data you receive through MTD allows you to better understand your clients – and then look at forecasting and business planning."

Managing the transition

However, the thought of herding clients onto a bookkeeping package or helping them manage the transition to managing it themselves in a way that will help you capture their information is a big ask.

Della Hudson, a former practice owner who has recently written *The Numbers Business: How to Grow a Successful Cloud Accountancy Practice*, sees a way to break down the client management problem. You may want to implement an onboarding process that initially only captures details about new clients, she says. It could still lead them towards a bookkeeping service, but is a lower risk alternative to an immediate transfer of all existing clients.

"When it's not broken but inefficient, then you think carefully about the transition," she explains.

Tech companies have got better at providing advice around how to implement tools and what they deliver, "but how you do it is where you might need some coaching and advice – your needs will be specific", Hudson says.

New practices

But what about new practices? What has been their approach to technology, and can a more established practice learn from them?

James Twigger runs the successful Accounting4Everything in Paignton, Devon. Set up in April 2016 as a one-man-band, he now employs eight staff.

Twigger did not feel wedded to a particular system or platform when he set up the firm – but he did know that, from a workflow, data and process perspective, he wanted to work on the cloud.

A series of standard but scalable tech was then chosen: AccountancyManager for onboarding; TaxCalc for tax production; Xero and QuickBooks for bookkeeping; and OneDrive as a data repository.

"I consider myself systematic," says Twigger, "but had these individual



“How you do the transition is where you might need some coaching and advice – your needs will be specific” Della Hudson

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elements that were brought together and integrated. We don't keep any paper files, which has meant we've never had to pay excessive storage costs."

The combination of an onboarding process and digital services means clients use automated receipt capture and invoicing at the start of the relationship. "Automating makes our lives and clients' lives easier," says Twigger. "We can train clients to make sure they use the system they're comfortable with."

Flexibility and agility

Small practitioners have a key advantage when it comes to change – they have some flexibility and agility. However, they are usually resource constrained... how can sole practices deliver for clients while thinking about making changes to the tools used to provide that delivery?

This is a key issue. Creating a more digitally-focused practice requires a shift in attitude, as well as strategy and planning. Practitioners need to be brave and take a leap of faith.

Della Hudson thinks that small practices should, for starters, make time to map out processes: "Even if it's just with Post-It notes, you'll soon find inefficiencies."

Identify the 'A-list' of biggest inefficiencies, but also a list of 'quick wins'. Then look for a tech solution to the problem. "Ultimately it doesn't matter what you start with, but start with something," says Hudson.

In a presentation to the ICAEW's Practice 2018: Connecting in a Digital World conference, new sole practitioner Rachel Balchin spoke about approaching technology with a 'try it and see' approach. She said it is difficult to know which technology will suit you and your clients if you don't use it. "If you don't like it, try something else and move on," Balchin told the audience.

In her post-conference blog, Balchin talks about the "tad overwhelming"

tech options available. "There are so many different options to explore, it can be a tad overwhelming, but I've found the cloud-based accountancy packages to be really helpful in engaging with my clients, and managing my workload," she said. "I'm going to be spending some time in the next few months exploring what other systems and apps might be available to help my clients – and help me – do things more efficiently."

James Twigger concludes that the role of the accountant is changing, and is being driven by both client needs and regulatory change. He says: "They expect you to be able to produce information instantly, but with electronic filing systems we can produce old correspondence in seconds and send it to them in minutes. That's what modern clients want."

• *The Numbers Business: How to Grow a Successful Cloud Accountancy Practice*, is available to purchase on Amazon.



Kevin Reed is a freelance journalist and former editor of *Accountancy Age*

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Xerocon ExCeLs once again

AdvanceTrack makes an impression as attendees want to know more



Xerocon 2018, held in London's ExCeL, was another important date for the AdvanceTrack team. With several thousand people in attendance at the continually growing show, we were kept very busy – fortunately we had a couple of existing clients on hand to help talk through what we do to attendees curious to know more about us.

Xero director Damon Anderson spoke about its big news: the acquisitions of accounts prep and tax filing provider Instafyle, and financial document 'fetcher' system HubDoc. "These acquisitions place compliance at the core of Xero," he said.

But what does such technology mean? Does it mean outsourcing won't be for you, with it easier kept in-house? For AdvanceTrack MD Vipul Sheth, any technology that enables accounting practitioners to have access to client data more accurately and quickly is a boon.

"Once practitioners understand how technology improves efficiency, and the data is in the cloud, it becomes so collaborative between us," said Sheth. "Previously a client had to do work to package it up; now they just provide us with a login. Firms can give us so much more information and utilise us as a resource – we know that resource is finite in the UK. So our proposition becomes more valuable and compelling."

Anderson also addressed the issue of potentially 'treading on their app partners' toes'.

"There's no sign of our ecosystem slowing down; there are huge opportunities," said Anderson. "We work with lots of providers – we complement them and don't compete. They are specialists."

Brendan Woods, CEO and founder of invoice and receipt capture provider AutoEntry, said the "market is as vibrant as ever".

"Cloud was the top priority, but it's now about trying to remove manual process and transforming processes (see main feature on pages 2-3). There's no end to the success stories – but the key is making a commitment to change," he said.

"Very often it's the clients putting their toe into the water... are you going to walk away from a client? Either you help them or you don't – so practices get dragged forward," Woods concluded.



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