



# IN WITH THE *new*

Leaving an established practice to set up a new firm is by no means a recent trend, but some start-ups are now looking to break the mould and provide something completely different for their clients. **Annie Makoff** profiles three fledgling firms who have done just that

**START-UP BRIGHT HORIZON ACCOUNTANCY**  
**LOCATION BOURNEMOUTH**  
**LAUNCH DATE MARCH 2015**  
**MODUS OPERANDI**

Ultra-modern, cloud-based accountants with an informal, approachable focus.

#### INDUSTRY CONTEXT

Frustrated by the “out of touch” legacies of established accountancy practices, Emily Hyland set up a vibrant new firm that she thought would challenge accountancy stereotypes as well as put customer service at the heart of its approach.

Having worked previously at Menzies LLP followed by an eye-opening stint at cosmetics retailer Lush as internal auditor, Hyland decided not to return to a large firm, although she recognised that working in practice was much more varied. “I enjoyed working with lots of different businesses rather than just one,” she recalls. “But accountancy and law firms are

still very traditional and I find them inefficient. Customer service in many accountancy firms I think is actually pretty poor because of their systems, so I decided to set up a firm that gave a better service to clients.”

#### CHANGE AND INNOVATION

The culture clash between Menzies and Lush was the inspiration for Hyland’s new company. Having previously worked in a formal atmosphere it was quite a shock when, on her first day at Lush, a staff member turned up to work dressed as a Harry Potter character.

“Coming from a practice background, wearing suits is seen as imperative, it puts you in business mode, but working at Lush I realised there is no difference. If staff feel more relaxed, they’ll be happier and work harder. Lush was the beginning of a big change for me.”

Hyland followed this principle to create a new breed of digital accountant, which broke the mould



## “Britain continues to be highly competitive and open for business”

PHILIP HAMMOND, CHANCELLOR



of established practices. Bright Horizon prides itself on its entirely paperless, cloud-based approach. Staff work a six-hour day, Macs are used instead of Windows PCs and desktop software is non-existent. And no one in the office wears a suit. “Suits look unapproachable,” she claims. “We work with web designers and advertising agencies whose staff wear shorts and flip-flops, so dressing formally and using PCs would make us look like we don’t understand their industry.”

Bournemouth was named the UK’s fastest-growing digital economy in 2015 in a report by Tech City UK - there are 400 digital agencies based in the area, which is fondly referred to as Silicon Beach - so it made sense for Hyland to work predominantly with the creative industries. While most of her clients are based around the south and south-east, there are plans to expand, particularly as cloud accounting makes geographical location irrelevant.

Central to Bright Horizon’s offering is dedication towards customer service through cloud accounting. Although the use of cloud accounting is not unique in itself - Hyland knows a lot of

start-ups who use cloud software - she insists that her approach is radically different. “You have to innovate to make it better,” she says. “Our bookkeeping is done on a weekly rather than monthly basis. Cash flow is super important to businesses, so while it makes no difference to us to do it weekly or monthly, it makes a massive difference for our clients. That’s something I don’t think many accountancy firms do - it’s a legacy issue. They visit clients once a month, but because we use cloud technology, we can do it wherever we are.”

### DISTINGUISHING FEATURES

Hyland refuses clients who use Sage or any other desktop software package. Cloud software is a no-brainer - it gives clients a better service. Through the cloud, Bright Horizons can check compliance at any point; can see if clients are about to breach VAT thresholds; and if in need of support, the client can look at the same screen from anywhere in the world and receive instant advice.

Currently, Bright Horizon is working on bespoke cloud software packages to include an end-of-year pack that pulls out data and statistics in a format and context relevant to the client’s business and industry.

“Clients often receive end-of-year accounts that are absolutely meaningless to them because it’s presented in statutory format,” Hyland explains. “It isn’t good enough to use other people’s technology, so we’re in the early to medium stages of creating our own.”

Hyland describes the Bright Horizon team as “outliers”: they are proud to be different, not just because of their refusal to work with anything other than cloud software, but because they are determined to obliterate the stereotypical image of the accountant. “That makes us much more approachable,” she says.

**START-UP HONEYCOMB  
FORENSIC ACCOUNTING  
LOCATION LONDON  
LAUNCH DATE SEPTEMBER 2015  
MODUS OPERANDI**

Small, influential specialist forensic firm with a big market presence.

**INDUSTRY CONTEXT**

Forensic accounting specialist Jeffrey Davidson left his partnership role at Crowe Clark Whitehill LLP to set up a small firm specialising in forensic accounting. "I wanted my specialist field to be the prime focus of the firm rather than an add-on," he says. "Forensic accounting is a very profitable, niche area. While Honeycomb is a small firm - there are 16 of us - we're still larger than the forensic teams in the top six."

**CHANGE AND INNOVATION**

Unlike most start-ups, which spend too long "waiting for the telephone to ring" before slowly building up a modest client base, Davidson was determined Honeycomb would be a big presence right from the start.

"We wanted to hit the ground running and make a big noise from day one," he says. "We're constantly pitching ourselves at a much higher level - we're a big firm in a small firm's clothing."

Honeycomb's target audience is large corporations and public authorities - the type that larger accountancy practices would generally be working with: big law firms; big banks; law enforcement and regulatory authorities. Indeed, as well as working alongside the Serious Fraud Office, Honeycomb recently won two big tenders with the Financial Conduct Authority.

What makes Honeycomb unique is its complete coverage of forensic accounting activities, which includes criminal, civil, investigative and expert. A range of litigation support services is also offered: "Very few accounting firms have made the investment and commitment to provide this entire range of services, it's only the Big Four. So for a small practice to do this is completely

unique," claims Davidson. He has big plans for Honeycomb. Despite being barely a year old, the firm is expected to go international within the next three to six months, becoming a "global network" with equivalent expert and quality forensic firms across the globe.

**DISTINGUISHING FEATURES:**

According to Davidson, Honeycomb is at the forefront of a new trend: client demand is moving away from generalist firms and moving towards specialist, niche businesses. "There are so many generalist firms these days there isn't much to distinguish one from the other - they have great difficulty creating a unique identity."

Because of the nature of its client

base - there are no repeat clients - it is entirely transactional, operating on a purely market-driven, entrepreneurial basis. And central to Honeycomb's key proposition is something even larger firms are unable to boast about: there is no conflict of interest.

"Clients come to us because we are a specialist area and completely independent. There are frequent conflicts of interest within big firms that may have acted for their client's competitors or even client's clients. So it's a real relief for those who want to work with us - we aren't tangled in conflict of interest."

It's because of this specialism and experience base that Honeycomb can justifiably say it is able to sell itself purely on credentials. For Davidson, who says it will soon be expanding to other areas such as risk and compliance, it's all part of the fun of running a specialist firm.

"General practice has no margin - it's not very attractive, it's repetitive and everyone does it," he says. "But what we do is exciting, every case is different. It's profitable and it's tremendous fun. We're doing things completely differently and it absolutely works."

**70%**  
*of Londoners  
dream of starting  
their own business*

**ACCORDING TO A NEW SURVEY  
FROM THE BRITISH LIBRARY'S  
BUSINESS AND IP CENTRE**



**START-UP TALLY ACCOUNTING**  
**LOCATION STAFFORD**  
**LAUNCH DATE OCTOBER 2016**  
**MODUS OPERANDI**

IRIS-driven start-up offering a fully supported digital service with minimal user input.

**INDUSTRY CONTEXT**

Richard Stonier, a partner at Deans Accounting, set up Tally Accounting in response to the rapid pace of change in the profession. Recognising that change was inevitable, he says: “Practices are now faced with a clear choice. We can either wait for change to happen or take it as an opportunity and lead by example.”

Stonier took the latter route and used IRIS software to roll out an online service to appeal to a larger, tech-savvy client base across the UK.

**CHANGE AND INNOVATION**

Tally is an entirely separate entity. It neither competes with Deans’ clients nor replicates its services. It’s a conglomeration of several of Deans Accounting clients who, according to Stonier, “share the wealth”.

“One client does website development, another manages the social media and PR and another is responsible for marketing,” he says. “They’ve all helped Tally develop. And the social media coming out is going to have an interesting edge.”

Cloud-based with an emphasis on “instantaneous data”, Stonier is keen to distance the Tally brand from established accountancy firms he claims are “stuck in their ways”.

“Many traditional firms only adopt technology when it’s forced on them,” he says. “And because we’re cloud-based, we’re breaking down the barrier of local accountancy - there are no geographical boundaries to it.”

Tally utilises IRIS-driven technology to offer clients a complete end-to-end digital service through a single portal. According to Stonier, this portal can be accessed from any device, anywhere in the world. While clients can make



use of up to 100 apps such as scanning invoices with an iPhone or tracking mileage using GPS, Tally’s technology provides instantaneous reporting and electronic checks without the need to manually submit documents such as passports or driving licences.

**DISTINGUISHING FEATURES**

Tally’s promise to clients, “full support with minimal input from business owners”, is due in part to its white-labelled IRIS cash flow and Tally Exchange products.

“Our on-demand technology differentiates us,” Stonier insists. It frees up business owners to focus on the day-to-day running of their businesses. And as an added bonus for clients, Tally’s pricing structure is “ultra-competitive” for clients anywhere in the UK, Stonier claims. “But above all, there are two things underpinning us which makes us stand out from other start-up firms,” he adds. “Tally’s foundations are built from a long, established chartered firm and all our software is IRIS-driven, so we’re backed by one of the biggest software houses in the UK.” ■

**“Supporting an entrepreneurial environment that encourages our young people to establish, grow and scale their businesses will ensure the UK continues to be competitive on the world stage into the future”**

**BJORN CONWAY, HEAD OF UK GOVERNMENT AND PUBLIC SECTOR, EY**