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Left: Lynne Walker, head of business advisory at Johnston Carmichael.
Below right: Dean Shepherd, lead product manager for compliance at Wolters Kluwer

DO YOU HAVE THE SKILLS FOR ADVISORY?

As more and more processes are automated, advisory is now the main event in many accounting practices. Do you have what it takes?

WORDS ANNIE MAKOFF-CLARK

Increasing numbers of accountancy firms are moving towards advisory-based services in response to client demand and the commoditisation of compliance functions. Research from Wolters Kluwer Tax and Accounting last year revealed this so-called “advisory evolution” is also driven by Brexit uncertainty; clients need help to navigate their business through uncertain times.

Dean Shepherd, lead product manager for compliance at Wolters Kluwer, says the current climate presents a real opportunity. As uncertainty is a genuine problem, a good adviser can help clients future-proof their businesses.

At the same time, clients now expect proactive, real-time advice and insight. “Clients want more than just numbers,” says Lynne Walker, head of business advisory at Johnston Carmichael. “Do they want to know the numbers? No, they want to know the reasons behind the

numbers and what they can do about it.”

Businesses that fail to embrace advisory could face a “dramatic fall in revenue”, warns Steve Freeman, head of motor at MHA MacIntyre Hudson. With compliance increasingly replaced by automation and AI, firms will have a “race to the bottom” in terms of value. “Firms who don’t embrace advisory will just become dinosaurs.”

So what exactly is needed to become a successful advisor? We spoke to several advisory specialists for their proactive approaches to advisory, which helps to build deep, trusting client relationships.

Initial contact

Whether it’s a brand new client or an existing one, it’s essential you spend time getting to know them when you’re first exploring advisory services, says Shepherd. Accountants typically don’t know enough about their clients as they should do – the focus, Shepherd explains, has traditionally been on just finding out enough information to do accounts, tax and payroll. “You need to find out what motivates and interests them, and what they’re trying to achieve in their business and personal life – find out about their family situation. It’s about knowing where they are now and where they want to be in the future.”

Freeman agrees. “This stage needs to be all about the client. You don’t bring in the hooks and solutions yet. All your questions need to be about them.”

The business of numbers

“Accountants are great with numbers, and numbers are the language of business. We should be using them to identify where the business is now, where it needs to be and how we’re going to get there,” says Steven Briginshaw, co-founder and CEO of business advisory platform, Clarity. “It then becomes a simple, repeatable process – plan, review and ask questions. Business owners always have the answers; they just don’t allocate the time

to think about them. As advisors, we need to create the time and space to ask the right questions.”

KEY QUESTIONS TO ASK

WHAT IS YOUR BUDGET?

“Other industries are unashamedly asking clients this, but accountants tend to feel uncomfortable charging different clients differently for the same service,” says Dean Shepherd, lead product manager for compliance at Wolters Kluwer. “But it’s acceptable to charge based on the value clients place on advisory.”

WHAT KEEPS YOU AWAKE AT NIGHT?

“The most important questions are the ones you wouldn’t think to ask,” says Lynne Walker, head of business advisory at Johnston Carmichael. “The issues keeping clients awake at night could be the ones they wouldn’t necessarily talk about but need addressing.”

WHAT ARE YOUR EXPECTATIONS?

“This allows the client to confirm they’ve understood the advisory process,” Shepherd notes. “Often you think you’ve explained something clearly, but it’s misinterpreted. You can then manage expectations if they want more than you’re able to offer.”

DO I HAVE THE RIGHT LEVEL OF INTERACTION WITH YOU?

“Never assume,” says Steve Freeman, head of motor at MHA MacIntyre Hudson. “Regular feedback sessions are essential because there isn’t a one-size-fits-all approach.”



BODY LANGUAGE

According to Albert Mehrabian in his book *Silent Messages* (1972), approximately 55% of communication is non-verbal. Clarity co-founder and CEO, Steven Briginshaw says being aware of your body language and that of your client is an essential skill for advisors. He recommends “mirroring” clients’ body language – unless they’re crossing their arms and looking away.

Shepherd explains: “Body language is essential for establishing rapport and instilling confidence. If you’re experiencing a lack of eye contact or signs of distraction, it could be because you’ve not engaged them enough, or you’re not asking the questions that are resonating.”

BRIGINSHAW ADVISES:

- Keep a polite and understanding tone
- Maintain eye contact (but don’t stare at them – just be attentive)
- Smile
- Keep your hands on your lap or desk

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Left: Steven Briginshaw, co-founder and CEO of business advisory platform, Clarity.
Right: Steve Freeman, head of motor at MHA MacIntyre Hudson.

Proactive communication – without bugging the client

According to Freeman, proactive communication is working out spontaneous ways to touch base with people, which can add value to the client. Briginshaw adds it’s about being timely, valuable and unprompted. “If it’s truly proactive, the client won’t feel bugged,” he says.

For Freeman, this means keeping the client apprised of developments in their industry, deals and opportunities, as well as sharing thought leadership pieces that might be useful to them and arranging networking events and functions. Directly asking the client can be immensely helpful, too:

How do you want me to interact with you?

Am I contacting you enough or too much?

What else do you need from me?

“This still needs to be all about them,” explains Freeman. “You are contacting them following a defined plan and making sure it’s tailored to them and their needs. Ultimately, it should feel as though you are their trusted advisor and a friend. It’s about selling without selling.”

Walker places considerable emphasis on cloud data and its role in enabling real-time insight. “Having access to cloud data means we can proactively notice when something looks unusual or indeed when it looks great, then we can get in touch at that moment,” she explains. “That’s much more valuable than waiting to have a meeting about year-end accounts.”

Building rapport and trust

Advisory works on trust. To this end, Shepherd advocates having a “genuine curiosity” for clients and their businesses. He says it’s essential to only work with those you are interested in. Accountant-client relationships are long-term and “faked interest” is hard to sustain. “A salesperson can fake interest to get their sale, but as soon as they’ve got it, their interest disappears. Your interest needs to be 100% authentic.” Honesty is also important, Shepherd adds. The larger a practice becomes, the higher the risk of human error. But having the confidence to admit mistakes instead of covering them up pays dividends. Shepherd recalls speaking to a business owner who admitted his strongest client relationship was forged over a mistake – he’d owned up to it and worked to resolve it. “It deepened their relationship because they knew he would admit it if he messed up again.”

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For Tom Cox, debt advisory partner at specialist business advisory firm FRP, the key to building trusting relationships with clients is listening. Advisory, he says, is about developing an understanding of the needs of both the business and shareholders, along with understanding business pressures and objectives – and being able to deliver tailored advice accordingly. “Only by getting under the skin of your client can you provide the type of support that enables you to become a trusted, extended member of the team and their decision-making processes,” he says. ■

EMOTIONAL INTELLIGENCE

Soft skills like emotional intelligence are essential for advisory, says Freeman. High emotional intelligence means you can put yourself in someone’s shoes and adapt to different situations and cultures. “Those with high emotional intelligence can read situations and adapt to how they behave. It’s about modifying behaviours depending on the situation,” he explains. “Not everyone has emotional intelligence. It’s not something that can easily be taught, so it’s a key skill I look for when I’m hiring.” Like with IQ, everybody sits on a scale of emotional intelligence, or EQ. While some people are naturally more emotionally intelligent than others, you can work on certain things to improve your EQ.

Emotional intelligence can be broken into four major attributes:

1. Self-awareness
2. Self-management
3. Social awareness
4. Relationship management

Work on your EQ often starts with self-management and self-awareness – being able to control stress, with a better understanding of your strengths and weaknesses. From that point, you can increase your social awareness – empathy – and finally, relationship management. We recommend Daniel Goleman’s book, *Emotional Intelligence*, if you’re interested in developing your EQ.

