



## Small Firm Big Impact

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CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

### EPISODE 2 TRANSCRIPT

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**JS:** Hello and welcome to the CA Catalyst podcast – Small Firm, Big Impact. I'm your host John Schol - CEO at Malloch McLean.

In this episode of Small Firm Big Impact we're going to take a look at operations, specifically client impact. We'll investigate tried and tested methods that will help you learn how to make your client fall in love with you, in the business sense. In this discussion we'll cover what is it that clients need from you now more than ever, the tools and technology that can enhance the relationships you have and how to best communicate and strengthen your relationships without the need for roses and wine. And you'll also hear some fantastic tips about how to manage clients in distress, as well as how to find the balance for caring for your client and your own business.

To sum it up, we've got you covered.

With me to share their advice and tools of the trade is Stacey Price, founder, accountant and self-confessed chief numbers nerd at Healthy Business Finances.

And Mark Jenkins, founder of The Gap and a thought leader in the accounting industry that is really turning intention into action for accountants across the world.

[STING]

First question is to you Mark - can you please share with us your journey - the move from practitioner to thought leader?

**[01:14] MJ:** Well first up John, I'm just a humble accountant from Whakatane and I'm not swearing when I say that, I'm not sure I'm a thought leader but certainly someone who's spent a lot of time in the industry and I guess for me the main transition was out of a desire to give more to small business owners and right now we know small businesses need a huge amount of help and I thought that if I worked with accountants then I could help them influence more small businesses, so that was the big driver for me. My accounting firm that I'd had for 17 years had served me really well and I enjoyed that journey but I really wanted to be able to leverage that through to more small business owners and saw The Gap as a great way to do that.

**JS:** Could you just talk to us a little bit about the core purpose of The Gap and how it fits in with the accounting industry?

**[01:59] MJ:** Our core purpose is accelerating small business success and so we are very much seeing ourselves as in the background facilitating chartered accountants to help their clients to achieve success and of course success could mean survival at the moment, it could mean knowing what their minimum viable sales number is right now, it could be making a plan or a business recovery plan to get them through however long this difficult situation we're in stays for. We know that accountants have that trusted relationship with so many small clients, small business clients, and we want to empower those accountants to be able to offer more value-add.

**JS:** Stacey, you spend a lot of time training, educating and empowering business owners on their numbers and their systems. Can you tell me a little more about the pathway to where you got now?

**[02:49] SP:** Yeh sure, so when I started my business it probably wasn't even on my radar to start my business, I'd always worked in finance but I was on maternity leave and I was surrounded by a lot of other women also on maternity leave who wanted

to start their own business and had some great ideas and concepts but they kept peppering me with accounting related questions or how do I set up software and when's the right time to pay myself and how do I work out my sales price and my margin. And those questions came quite naturally to me to answer, and it was only after being peppered several hundred times that I thought, hang on a minute, this is a service that a lot of people need, but there's a bit of a gap in the market between their expectation of what the accountant provides, which is generally an end of year tax return, and being able to gain that knowledge to run their business really well and it was only after I had a few of my really close friends say to me, 'my accountant has told me this, can you interpret that for me because I don't understand what they're saying'. And they would come back to me and say, you just explain it in plain English, why can't my accountant do that? And I'm like, 'I don't know', but it seemed that there was a massive gap between the training and education side and the tax compliance side which is what those clients had always associated with their accountant.

**[04:09] JS:** So clients see their relationship with their accountant as trusted, are you seeing that change with Covid-19 Stacey?

**SP:** I am, and I think it's really brought close to home just how involved we are with a lot of our clients. We have clients Australia wide and I still remember the day, [04:27] back in March, when gyms were forced to close and we had about 6 gyms separately on our books and I rang every single one of them on that day and every single phone call ended in tears. They didn't know what to do, they didn't know who to turn to, they didn't know how to navigate what was going on in the economy, in their business, with government incentives, and I guess it really brought home that I was the person they wanted to ask those questions to and I was the person that they trusted to give them the navigation tools to understand what was going on and what they needed to think about. Obviously there's a lot of things going on. There's been a lot of contact from clients who potentially we would only contact once every 3 months to do compliance work and I think now more than ever, they're understanding that we are that person that they can ring for other factors as well.

**[05:20] JS:** And Mark, you're working with a lot chartered accounting firms. Who do you think is driving this change? Is it the customer, or is it the firm?

**MJ:** We've got a polarisation of the industry going on here where there's quite a lot of frustration that I'm hearing amongst my friends who own businesses, but also the accountants that I'm speaking to that when they're being approached by new clients, they're saying look my accountant hasn't even contacted me at all during this time and I've seen that you're actively out there running webinars and events and so I'd like to join your firm, if that's ok. The driver is coming from both within the accounting firms themselves but also from the small business owners as well. And I just think we are moving towards a new paradigm for connected small business owners with their proactive chartered accountants. I just think that's this is accelerating that change and it's bringing that forward and we've got all the technology to be able to do that, we can do that online, we can do that face to face, we can do that via one to many with webinars, we can have closed Facebook groups – there's so many different ways that we can reach out and be connected with our clients right now, so I just think that the driver is actually the coming together of minds, we often to refer to it at The Gap as the closing of the disconnect that exists between that traditional accounting firm and the small business owner, where the Chartered Accountant was a bit of a grudge purchase and something that they had to do but didn't necessarily want to do, and now they're realising that wow there's a lot of expertise here with a chartered accountant and I really want to connect with them at this time.

**[07:02] JS:** And as clients do shop around, looking for that modern accountant, looking for that new piece of advisory, do you think there's a right type of client that accountants should be looking for now, as the phone rings more and more often?

**MJ:** Hey look there is so much work to be done out there, there are so many small business owners that need so much more than just the compliance work, they need to have a closer relationship with their CA therefore the CA by definition can't serve as many clients, so they need to be selective about the clients they take on. And so if they take on those clients that meet their client selection criteria, and that might be a fit with their core values, it might be a fit with their core purpose, it might be actually they're just good fun people, we want to work alongside them or it might be their age demographic is the same and so these are going to be clients for life. I think there's plenty of opportunity for us to be quite selective of who we work with and actually be quite open about who we refer on the clients to other accountants

that might serve them better if they don't meet our selection criteria and be quite honest and open about that.

**[08:12] JS:** Stacey, how do you deal with a lead that comes into your office?

**SP:** Strangely enough a lot of those come from social media which is not something most people would associate with accountants, but I've invested a lot of time to know that's where our ideal client is and that's where our target market is. They're young, entrepreneurs, they're start-ups, they're tech-savvy, they're already on social media with their own business so if they had to pick up the phone and ring me, they probably wouldn't do it. So they will send me a message on Facebook or Instagram. We're a little bit obscure in that way that we don't have someone in a reception desk waiting for the phone to call – we have people sitting in the back end of Facebook and Instagram seeing what messages come in. Now we are rather tech-savvy in our firm: so we have a Trello board of any new leads that we get and we move them along that Trello board based on whether we have allocated them a 15 minute chat to understand their needs, whether we then need to send them an engagement letter, whether we then haven't heard from them and need to catch up with them, how they contacted us because we know probably that's how they want to be contacted in return. So we move them through this Trello board to really understand where they are at in the process and who or what needs to happen to follow those up.

**[09:26] JS:** And do you have any particular criteria for those clients?

**SP:** When I first started my business I did a lot of research into marketing and branding and your ideal client persona and everything I read or saw said that you had to envisage your ideal client standing in front of you and what did they look like, and was it male or female and what age were they, and where did they live. And I thought, you know what, we can service clients around the whole of Australia, so why does any of that actually matter? None of that matters to me. **[09:52]** I've got a client in their 20s, which is half my age, and I've got a client who's in his 80s, who's the treasurer of his local church. Both of those clients are amazing. Their age, their sex, where they live has got nothing to do with whether or not they're my ideal client, so we base it on personality traits. So we need someone that is willing to learn, we need someone who is willing to understand the rules, we need someone to abide by the rules, we need someone to respect our time, we need someone to

have faith in our team – so it's more about those touchy-feely qualities that we look for and usually we can assess that via a phone chat or the way that they reach out to us and what they're asking for. Generally if their first question is, 'what is your fee?' we know that they're not the ideal client for us because we know we're forever going to be having to justify our value, whereas we want someone who we can work with long term, that we know we're going to get along with and will understand why we do the things that we do.

**JS:** And so for a lot of listeners this is the first time they're probably hearing about a client persona or having a checklist to go through for the ideal client or the sort of mindset that you're looking for people to work with. How would you say no to a client that rings up and wanting to engage with your team?

**SP:** I think at the end of the day you have to be confident that you cannot please everyone. Trying to please the wrong people will damage the relationships that you have with the good clients – the ones that you don't want to lose – or have damaged relationships with your staff. So I guess for us it's about understanding what we can provide and we have certain services we know we would offer clients and if we don't feel that we could offer those, then we can either suggest an alternative or we can suggest that they need to go and speak to another tax agent, whether that's locally if they need one-on-one help. We have some clients that refuse to use Zoom for example, so if they are not willing to use Zoom and expect me to travel two hours to train them, it's probably not going to be the right fit. But I guess when we say no, we give them an alternative, so we're not saying no, please leave, we're saying look we don't think we're the right fit, but we can make some suggestions if you would like, of someone who can provide that service so we're not closing the door on that potential client, because we don't know what will happen in the future, but we're just gracefully saying it's not the right time to work with us.

**[12:25] JS:** For the listeners, one of the important things that we're always thinking about is how we price for customers and how do we price new customers versus our existing customers and you know a lot of the time people wanting to exit their clients perhaps might increase the prices until they leave. Do you think there's a better way to, first of all, do that? And second of all, how do we reassess what the lifetime value of a customer is?

**MJ:** There's two issues here with the pricing. One is the fact that often there are different prices within the firm based on the confidence levels of the individuals who are doing the pricing. So I think what's really important to do is to have an internal price list that's agreed amongst everybody and making sure that there's consistency in the way that's applied across the client base. I don't believe there should ever be a situation where one client talks to another one at the pub - we don't want them to say look I did a business recovery plan with my accountant it cost me \$4000, and the other one says I'm with the same firm they only charged me \$2000. Consistent pricing across the business is super important, doesn't matter what the client is, the price should be the same. Having said that, I think the project work that comes out, I think we're looking at some value pricing and that's bespoke, that's individually tailored for that particular client, that's when you can have some variation in your pricing but I don't believe that you price clients to make them leave. If you don't enjoy working with them, if they don't meet your client selection criteria, you owe it to them and yourself and your team, to open that door of opportunity. So it'll be better for them, they'll be better served by somebody else and one of my favourite sayings, 'what you can say yes and what you can say no to' - so you've got to start saying no to some clients - prospective clients and existing clients - so you can say yes to the ones you really want to work with.

**[14:10] JS:** Stacey, what strategies and tools do you use to make the onboarding process as smooth as possible, once you've generated that lead and assessed that they're going to be great clients to work with?

**SP:** Yeh so most of our work is all done remotely and all of our team is also remote. So we need to keep that in mind when we take on any client because we don't have a folder in the office, that everyone can look at and follow a process, so we need to have that in an online space so that no matter who speaks to a potential client, they'll know what needs to be said or what information we need to request or what documents we need to request or ~~what documents we need to~~ send out. Again, we have a Trello board with all of our standard emails that would go out depending on whether they're asking for BAS services, payroll services, whether they're asking about end of financial year - any of those things, we have some standard responses. Now, obviously we don't just cut and paste and every client is different, so we do customise it - but we need to have a starting point so that whenever somebody receives something from us, it always sounds like it's coming from us, and it's not

different depending on who is sending that information. For us everything is online so all of our team can see it at any time and we're a pretty open book internally so we're a small team – there's only four of us – but I believe that all four of us should be able to access any of that information, it's not a secret what I charge to those clients, it's not a secret what work we do, so I feel everyone needs to be able to access what we do and when we need to do it.

**[15:48] JS:** So for a lot of our listeners, the fact that you're working remotely, not working with your team, side by side, how do you manage the ongoing relationships with clients?

**SP:** We've worked remotely for 7 years, since my business started, and I've never had any of our staff work next to me. So I guess it's something that I'm just used to. Even from 7 years ago when I started my business, we mainly used Skype back then – I didn't know Zoom existed – so we would have meetings on Skype, we would screen share, we would solve their problems, and it still allowed that face to face contact. We would have Skype sessions with clients in Sydney, Queensland, we have clients in Perth, and it felt like we were connecting with them even though to this day, I've had clients I've had for 4 years and never met in real life. But I can tell you their kids names, I can tell you everything about them because we do catch up virtually and we see each other in that way. So, being able to use video was a big thing for us early on, and another one we have used recently is Slack which is an online messenger type platform. We use it internally for our business, but recently we have invited clients into a client thread inside Slack. The beauty of Slack is its instant questions and its instant responses. So in the past we would email a client and often it would take a week to get a response back or they send back the bank statement, it was the wrong one or we'd request something else and it was the wrong one. So we can get on Slack and say, 'hey Mary, I haven't got that statement' – and that's the entire conversation. Whereas with email, it will probably take me ten minutes to write that email and in the time in Slack, we have got the file uploaded, the clients responded and we've finished whatever it was we're waiting on.

**[17:37] JS:** Sounds like you're really utilising technology and getting really smart about how to communicate with clients in a really easy to manage way. So Mark, let's just say we're sitting in an office or maybe we're online virtually – what are the discovery questions we should be asking our clients to try and get inside their heads,

get inside their business and understand what they really need? ~~to have in their business?~~

**MJ:** The easiest way to do this is to think about maybe a model or a trigger that you can use and the best one that I've found is the 'Now, Where, How?' mindset. And so we're just saying where are you at now? Right now, if we look at some of Stacey's clients, I'm with a traditional accountant they communicate with me, it takes two weeks. Where would I like to be? I'd like to be able to get an instant answer to my question. And so, well how do we do that? We just need to join Stacey's firm, that's the how [laughs]. So I think what's really important with 'now, where, how' put another way is to say, right now, this is your financial position, this is what your annual accounts are showing or the management accounts, we've just done your BAS, or just done your GST – what did you dream it would be like? You're in business, what did you think you'd be earning? What hours did you think you'd be working? What role did you think you would have? And what's the reality for you right now? And then it's where would you like it to be? OK so when you started off in business you had some dreams and now the reality is you know it's a lot harder but where would you like to be? And what are the problems and challenges that you have in the way right now? It always starts with the now, where are you at now, where would you like to be and - that's personal and business: so you know, the hours of work, time with your family, those sorts of things, and the role and what holidays you'd like to have. So that's that future position and then the how-to, and I loop back to what Stacey was saying earlier as well, I don't think clients necessarily know what the accountant can offer them and so it's a bit of a discovery meeting. It's a bit of an opportunity to say 'look if I could help you increase your cash flow by \$10,000, would you like to have a meeting with me to talk about that?' 'Or if we could lift your GP by 2%, that's going to put 20 grand on your bottom line, is that something that you'd like us to work together on?'

**[19:56] JS:** Great mindset for our listeners out there

**MJ:** And so the 'now, where, how's' a great way, but another one is the formula for change.

And so the formula for change talks about, it's dissatisfaction times a vision, plus first steps being the F, but it's got to be greater than the resistance, so if we think about the resistance they have right now, is they might have a bit of resistance to working

with you or a bit of resistance to spending a little bit more money. If they don't do anything they're going to keep getting what they always get or less, so heighten that dissatisfaction – help them to see that if they keep going on the way they're going with Covid-19 and all the changes happening, they need to do something different. So help them to see that they're not going to get there by doing nothing, and then give them the vision, that's the second piece, give them the vision of what's possible. You know, improve that cash flow by 10 grand, by improving the debtor-days or improve the margin by 2 or 3% or get more aware of how they're using their time so they can free up their time to be with their family more. And then make the first steps very easy – let's just have one meeting. And I was talking to a client earlier about having one meeting - \$250 – to identify how they could free up that 10 grand of cash or that time and then have one meeting only to talk about that. And then off the back of that meeting, my last piece I would suggest is BAMFAM – book a meeting from a meeting – at the end of that meeting, say 'how would you like to make sure we keep improving your business in this way?' Is this something you'd like to do more? How about we book in the next session in a month's time or two months' time to see how you're going'. Because best laid intentions, your clients are going to want to do things you know, at that meeting, they can see, they've got an action list but they get back to work, they're busy, they've got lots of distractions and for whatever reason things just don't get done. And so you having that check in call with them, that check in meeting to keep in touch with your clients – that makes sure that they do the things that they've chosen are most important for them to make a difference in their business. Another great question I like, I like to have - and there was an expert thought leader accountant John Schol who taught me this one once which was, 'do you know the minimum weekly sales figure you need in order to survive this crisis we're in right now?' Such a powerful question.

**[22:26] JS:** And thank you very much Mark. The evolution of clients is something that as accountants we probably don't spend enough time on where they are now, and where they want to get to, but Stacey I'm really interested to know, when these new clients ring you up for the first time, they probably don't realise the technology or the level of technology that they're going to be using with you – do you have clients that actually say no, well can't use that technology or don't want to use that

technology? Or are you able to convince them of the value of the technology and working with you in a different way?

**SP:** We always like to give clients options, even if it's potentially not the option we would choose. But we would always choose virtual first. However, we know that everybody learns in different ways. So I think it's about understanding if they're choosing no to a certain type of service that we offer that is potentially virtual, why are they choosing no? And if it's because they learn better in a different way, then we would offer an alternative session – whether that's online, in person, in a group, we often do screen recording videos and send them the video so they can watch the video and make notes separately. Sometimes we have people that say no just because they don't know what Zoom is. They say, oh I can't do that, I don't have Zoom. So then it's more about an education piece just to say, Zoom's not scary, it's actually really nice, we get to see each other, it's like we're chatting in a café, it's just I'm not physically there. We do have a lot of older clients as well, who perhaps aren't as tech-savvy. Recently I had a gentleman in his 60s and I said we can Zoom on Friday Keith, that'd be amazing. He's like what is this Zoom that you talk about? And I said we can see each other and he was a client that I did go to see in person just because of the nature of his business and so he really missed that one on one contact with me. And now every Friday we have a Zoom in the morning to see what he needs to do and where he's at, and he thinks it's the best thing ever and he's now got some of his friends on Zoom and he was so proud of himself for doing that. But I think it's just about understanding – if somebody says no, it's not that they don't want your help or your service, perhaps they just need it in a different way.

**[24:42] JS:** So if we turn our attention to client retention and relationship management, Mark you're involved with The Gap and you essentially template a lot of services for accounting firms to follow, what sort of value - add services would you recommend they start with if they're looking to begin the journey towards offering a different sort of service to their clients?

**MJ:** I think the most important thing is just to have a meeting – whether it's virtual or face to face - with clients and we talk about just the annual accounts review meeting and I'm horrified to hear how many traditional accountants don't even meet with their clients to go through their annual accounts anymore - so start off with that annual accounts meeting, but make sure that you send out some pre-work

and send the draft financial statements electronically out to the client. So start with some pre-work and the pre-work might **say** have some questions in there and this is the sort of content we've got in The Gap, questions like, 'what were the numbers you wanted to achieve?', how has the year been for you?', what are some of the problems and challenges that you've got in the business right now?'. So all of our processes - and I recommend this for all of you - **[25:44]** every time you have a meeting with a client, set an agenda, communicate that agenda to your client, what that agenda is, send some pre-work out - so pre-work about the annual accounts - and then have a systemised and structured process to go through those annual accounts and so in there you might demonstrate the value you've already provided, so talk about what you've done to save them some tax or what they've done during the year that's improved their return and then start to look forward. Look at client growth brainstorming - so we used to run sessions with our team and they'd look at the set of financial statements and say, right well where are the opportunities to add value here? What could we do with this client? And let's open up that conversation during the annual accounts review meeting.

So start off with a a meeting where you're just talking about what's possible, a complimentary client review meeting and it's the same for prospective clients as well when they come in - where are they wanting to go, what are the problems and challenges in the way and how can you work together to get them there quicker. And then it's a matter of not trying to climb too far up the value ladder - **[26:50]** so imagine a ladder, and at the top of the ladder is your premium service where every client gets an annual business plan, they get an annual forecast, they've got ongoing reporting with a regular accountability meeting, we call that the trifecta or the three essential tools for business success - that's the top of the value ladder. That might be 10 thousand dollars' worth of fee for the year when you add their annual accounts in as well, and so very difficult to sell at the top of that value ladder. So start at the bottom. The complimentary meeting - there's no charge, this is your investment in trying to understand your client better and then off the back of that meeting try to sell one meeting, one cash flow improvement meeting or one profit improvement meeting. And then off the back of that meeting, try to identify for the client the value of working with you in a more regular way and eventually they will get to the top of that value ladder and they'll be doing those annual business plans and the annual forecast and just one last thing I'd say about that is one of our core values at The Gap is 'walk the talk', and we define that as practicing what we

teach. So if you don't do this yourself as an accountant, if you don't have your own annual business plan and you don't have your own annual forecast, and you don't have some sort of accountability process and ongoing reporting, then you don't see the value in that enough to do it yourself - so if you try and sell that to your clients, you're telling them what to do without seeing the value yourself and two things will happen there; one, you're not going to have a very good answer if they say to you, oh well do you do this? And, the second thing is that you won't articulate the value well because you haven't got the experience of how much difference that makes for your own business when you do that. Really just start with more meetings, with better structure focusing on the future and focusing on a small first step that somebody can take where you're going to add a lot of value and really build that trust and confidence.

**[28:56] JS:** Thanks a lot Mark. I know Malloch McClean have been using The Gap for over five years now and have been using that structured process. It's never an easy process to implement, it does take some work, but what it does do is set you up in a different way to think about clients which I think is really important - **[29:12]** there's a lot of value in being able to tell your customer that you're actually doing the same thing that they're doing, because what you're showing is that you're not trying to sell them a product, but you're actually trying to give them some help that you're actually receiving yourself and I think showing a little bit of vulnerability and just shining a light into your own business and letting them see that you've got the same issues – that certainly goes a long way

Stacey, what sort of products and services are you offering to your clients that are perhaps different from your average accounting firm?

**[29:41] SP:** The one thing we offer that is probably one of our biggest services that we offer in terms of our revenue generation is the financial coaching. And I guess this comes back to when I first started our business and we got all of those peppering of questions from people that didn't really understand tax office obligations and didn't understand payroll obligations and when things had to be lodged and why they had to be lodged. And what we found is people were waiting – they were waiting until tax time to ask those questions and it was too late then - they'd already stuffed up payroll, their GST was out the window, their business name wasn't registered – there were all these steps that could've been prevented – or prevented more

headaches, I should say. I guess what we found was, why don't we charge for that service? This is a service that people are wanting on top of normal compliance, bookkeeping, BAS, tax return services – they want this as a one-off service. A lot of what we do in that start-up space is they're not ready to commit to ongoing services at that stage, and that's OK. They're in our funnel, we provide them with the coaching they need, and we hope in 3-6 months when their business does grow, we are the person that they think of. The other thing that we offer that again, people were asking for, was training on their software, and a lot of the cloud accounting software do have online training videos to watch but what we found is those videos are usually American voiceover based, and they really used to irritate the clients because they didn't want to listen to them. Or they would listen to those training videos and still wouldn't understand how that actually related to their individual question that they had. And so then they would ring us and say could you just explain to me, blah, blah blah whatever that was, and I thought, yeh sure. So we would record a screen video, of us explaining that problem in their accounting software and send them a link to watch the video. And I just thought oh well it's easier to do that than send an email, with 27 steps of how to do A, B, C, I can just fix the problem, record the screen at the same time, send a link – easy. And I didn't think anything of it and clients would email back going, 'oh my god that's like the best thing ever! Like I just watched your video and it's already fixed and now I know how not to do it wrong next time'. So for us it's the training and coaching, which we didn't offer initially, we didn't think there was a market for it, but it probably makes up about 50% of our business.

**[32:15] JS:** And do you measure your client satisfaction Stacey? Because it sounds like a lot of your clients are moving to you, or staying with you because they're extremely happy with what they're getting from you, compared to perhaps a traditional firm. How do you measure that?

**SP:** We send out reviews and we probably don't send them out as frequently as we should to get that feedback. But what we're finding, is especially in the last 6 months with everything else that is going on, they're naturally sending us that feedback without us having to ask. We have a bit of a process in terms of we take that snippet, usually by email, when somebody responds to something and we'll put it in our Trello board and use that as a testimonial that we then post on social media. My staff have direct contact with our clients and I think most of the time, the clients are

saying that feedback to the staff – not to me, as the business owner – they're saying that they've loved working with Christine, or Karen or thanks Kylie for sorting out that grant application, so we do have a formal process probably once a year. But as I said, most times now, it's coming organically back to us, because we've initiated something that they weren't aware of.

**[33:23] JS:** Stacey you're communicating with your clients in so many different ways, are you using a CRM system to follow up and just keep track of who says what to who, when and what you're waiting for?

**SP:** We do use a CRM and again, it's not something I'm an expert on but we do it all in house – me and the office manager. I don't think we need to complicate these things. When we're looking at a CRM, sometimes we get so involved in the technology at hand, that we're actually paralysed by doing anything with the technology to start with. We definitely don't use it to the best of our abilities but there's certain really easy things that we use it for. So we use it for our email newsletters which we send out twice a month, and we can track who has opened them, what times they opened them and all that kind of thing. We also use it to send out a birthday reminder for all of our clients. And so every time it's somebody's birthday an automatic email gets sent out to the client with me, holding up a bottle of wine in a photo wishing them a happy birthday. It literally took me 30 minutes to set up that automation with all of the clients imported into our CRM and now I don't need to touch it. And it's really interesting because I got a response from a client who we've worked with for about two years, and her response was, thanks so much!. And I thought what have I done? I don't even know what I've done! And I had to read the email trail to work out that she was responding to the happy birthday invite - and it just puts a smile on people's faces to go that little bit extra. We also use our social media insights as well, so that gives us a lot of information in terms of when our clients are online, what type of information they're responding to, what kind of posts they're enjoying, so then that helps us with our marketing strategy, so I guess we use our CRM more for bulk content to reach out to those people, we segregate all our clients so I can send an email to all of our clients that just use Xero so that people that don't use that software don't get irrelevant information. Because I think there's nothing worse than receiving a newsletter and thinking, why is she telling me about MYOB, I don't even use MYOB. So we cross section all of our clients

and contacts by software, and what type of client they are so they can get more of a streamlined newsletter if we need to send them specific information.

**[35:36] JS:** How hard is it to set up a CRM system, is it really important, and how much do you really have to deal with it?

**SP:** Is it important? Yes, I think we need to differentiate ourselves with our clients and provide the extra level of service and for us, it's a newsletter, especially with all the government changes that are going on at the moment, with updates to superannuation legislation, with updates to government incentives, grants – that's how we get all of that information out to our database of people. Now that's not just clients, it's also complete randoms, but we don't know when those randoms will potentially become a client, so why don't we give them a little bit of love and a little bit of extra information? Quite often what we get is people coming back to us saying, I've got your last newsletter, I really need to talk to you about that. And I was like, perfect. Beforehand they were not even on our radar, Is it easy to set up a CRM? Yes. Is it easy to use it really well? Probably not so easy. But there is help, so I figure if this is not an area that you excel at, put your hand up and get some help. For 5 or 6 hundred bucks you could have someone set up your entire newsletter, have it all set up, import your contacts and all you need to do is write the content. It probably takes us half an hour to actually create the content and send a newsletter, and I think to send that out to 5 or 6 hundred people in one go for half an hour, worth it every time.

**[37:04] JS:** And does anyone ever get annoyed with the extra contact that they might get from a firm like yours?

**SP:** I would definitely say yes. I think with any newsletter – and I know myself, I subscribe to things because at the time they had something I was really interested in and I forget I subscribe and 2 or 3 months later I get a newsletter and it's not something that I'm interested in. So there'll always be peaks and troughs in your database or your newsletter subscribers. I don't take it to heart.

**JS:** So Mark you see a lot of different accounting firms throughout New Zealand and indeed Australia and the United Kingdom, how many of those accounting firms are using a CRM system and how well are they using it?

**MJ:** Yeh that's a really good question John, you know I think that Stacey's very much at the front of the wave with adoption of technology like a CRM and I think part of this comes from the fact that firms that are looking forward and using the best technology realise that a CRM's so important because you've got to record the touch points with clients. But look I work with hundreds of accounting firms with The Gap and I would say, at best there would be 10% of them that would have a CRM and using it properly. And I'd say that those people are probably at the front of the wave themselves and so I'd hazard a guess that the number of firms that have a fully working CRM is probably more like 5% or less. And I think the reason for this a lot of accounting firms, they have so much repeat business that they're worrying about workflow and so they're not so worried about the contact points or the touch points for their clients, so they might use a document management system to track information that they're sending out to their clients, but they're not thinking about, ok, here's an opportunity, it's a project that I could do, I'm going to track that through the sales pipeline, right through from suspect or lead, to prospective client, the conversations we've had, the number of emails they've opened from us, the engagements that we've had with them on the phone or by email and then them becoming a client and then how we've tracked those through. And what I'm also seeing is, some of the firms that are really getting involved in the advisory space, they're tacking on a CRM so something like Pipe Drive or something like that relatively inexpensive as opposed to a full blown system like Salesforce or HubSpot which is a pretty significant investment. And then they're tracking projects through there, but then there's a disconnect with their software that they're using that has the client details in there that they might be doing their annual accounts and the communication to clients, and so they end up with 2 or 3 different sources of truths - so they've got to maintain data about clients in 2 or 3 different places and that gets messy and it gets out of date very quickly and it's certainly very inefficient. I think what Stacey's doing is what I would call best practice front of the wave and very much what the modern accountant now needs to have to stay connected with their prospects and their clients and to do that in a way where they have that one source of truth.

**[40:14] JS:** Yeh so if we're talking about being there for the client and being there with them through that whole cycle of engaging them with the business, working with them one on one, trying to keep track of all the different things that we might start to do for them that is more than just annual accounts, we quite often become

more than just that professional advisor talking about tax and those sorts of things and perhaps we can become more of a life advisor or a counsellor sometimes depending on what's going on in their lives. Stacey, how are you dealing with that first of all, and do you feel that you have moved closer to your clients over time as you've developed more and more into the niche area that you're in right now?

**SP:** Yeh I think it does definitely help with time and the relationship with the clients, but in saying that, very early on in my business I had a client who again, reached out on social media, she was an interior designer and I met up with her at a café to have a coffee and chat. She wasn't using accounting software at the time, her business was quite new and she wanted to do some budgets and projections for the next 12 months and we literally had one meeting and it went for about 2 hours, we chatted, kids, and work, and everything that comes with it and literally a month or two later, she rang me and said 'my husband's just walked out'. Now I don't know how many people would have that conversation with someone they've met once. We didn't have an ongoing working relationship at that time, she hadn't booked in for any more meetings – but we did have a really good meeting the first time around. And I think it just really showed me that we're not just doing numbers, there's a whole lot of other stuff that go on in people's lives that we are privy to at some stage. I've had clients have sick children that need hospital operations, and so they need to understand how to manage their business, and again, I wouldn't normally expect someone to tell me that close information. They tell me because they know that I'll be able to help them understand what it means in terms of their business. But, I want to emphasise I have no psychology skills, I am an accountant, I am very one plus one equals two, it's black or it's white, there's no grey, so it's very hard to deal with people's emotions as an accountant, it's not something we are taught at university. We do an ethics module but is it right or wrong? And that's kind of the only touchy feely subject that we do, but in terms of dealing with clients emotions, I think it's probably something new to most of us and, I guess when there's a pandemic or sickness, or family issues, the way that I deal with it is that I'm human and I can relate to another human being and think if that was me, what advice or what support would I need? I think over time as I've gotten to know clients really well and quite often we'll catch up with clients for no other reason than just to catch up – like we're not discussing work, we're not discussing a tax return, we're not discussing BAS – it's

to catch up and go how are you? How are the kids? Sometimes you just need to be there and just listen.

**[43:12] JS:** So it's moving away from that advisory role into that mentor and confidante sort of a role isn't it?

**SP:** Sometimes they don't ring me because I'm an accountant – they ring me because they know that I have some life experience, that I know that I might be able to relate to their situation, and can be a sounding board, Most times we can't physically help in certain areas, but we can provide guidance or resources that they perhaps need.

**[43:38] JS:** And what a wonderful way to finish. Mark, Stacey thank you so much for joining us here today - there's been plenty of take outs for I'm sure for everyone that's been listening. I really appreciate the time that you've given up to share with us the experiences and the great work that you've both been doing in the accounting industry.

**[MJ/SP]** - Thanks so much John. Been a pleasure.

**JS:** So that's a wrap for this episode of Small Firm Big Impact.

If you'd like to continue the conversation further then please visit the CA Catalyst Community Group in MY CA where both myself and our guests will seek to answer your burning issues that you might have in regard to the episode.

Don't forget there's also some really fantastic resources that your membership with CA ANZ gives you access to.

Head to the CA Catalyst section on the CA ANZ website where you can find practical resources like case studies and playbooks.

Also on the ~~CA ANZ~~ website, you'll find The Library, and the Tools and Resources Hub with plenty of practical information and great insights to support you in practice.

And lastly, my personal favourite - LinkedIn Learning - which is free for CAs - and can be tailored to your personal learning needs.

This has been "Small Firm Big Impact"- I'm John Schol, speak with you again soon.

