



Small Firm Big Impact

PODCAST POWERED BY CA CATALYST



CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

EPISODE 1 TRANSCRIPT

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JS: Hi and welcome to the CA Catalyst Podcast - Small Firm Big Impact.

Given the success of our first series - Shaping the Practice of Tomorrow - we're back by popular demand with a new series - Small Firm, Big Impact.

Just like CA Catalyst - Small Firm Big Impact is all about the skills, technologies, and strategies that you need to enhance your firm's performance and continue to build value for both yourself, and your clients.

I'm your host John Schol - Chief Executive at Malloch McClean...I have more than 20 years of professional experience specialising in strategic, succession, and business planning - as well as being an executive leadership coach.

I'm a really proud chartered accountant by trade, holding a certificate of public practice. I've also been a regional councillor for CA ANZ for the past four years, and hold several professional directorships.....And while I'm here blowing my own trumpet I've recently authored the book "The Four Hour Business Plan" and I'm passionate about seeing accountants fulfil their potential.

What a year 2020 has been! It's certainly not one we're going to forget quickly... There's no doubt that coronavirus has changed the world forever, and as accountants we've been presented with the opportunity to interact with our clients - and their stakeholders - like never before.

The covid disruption has allowed us to add more value by experimenting with new technologies, positioning new services that allow us to shift towards that true, trusted advisor status as we work alongside our clients for a more positive future.

In Small Firm Big Impact, we'll explore what making a difference actually means in this day and age, and how it's evolved. We'll focus on the practical tips, the "how to's" and the next steps you can take to help your clients, now and beyond - and we'll do this by picking the brains of experts in the field.

I'll be having candid conversations with hand-picked leaders from Invercargill to Darwin and everywhere in between.

So whether you're running, or working in an established firm it's good practice to take a step back and look at what the opportunities and challenges are, so you can assess - and progress. Setting you up for a better future by staying relevant, contemporary and competitive.

In this first episode, I'm excited to have two guests that are in a great position to shed light on the evolution of the public practice landscape.

Sharing the conversation today is Chaz Prezident, Director of Whitehouse Private Wealth - who was acknowledged as accounting thought leader of the year last year.

And Amanda Gascoigne, a fellow chartered accountant - principal and founder of Amanda Gascoigne consulting and The Balanced Firm who works with accounting firms like ours.

Chaz, Amanda - welcome to the podcast!

CP: Thanks John.

AG: Thanks John.

JS: Amanda, to you first. You're ranked as one of the top 50 women in accounting, that's obviously a great recognition to receive. Can I start by asking you what exactly do you do?

AG: I am now a coach and mentor to small and solo practitioners all over Australia and New Zealand. So I help them with all things practice management and really getting to the bottom of why they started their practice and getting back to where they were at that initial stage, taking the leap and because I find quite often many practitioners have actually, they've gone off path a little bit and that's why they're a little bit despondent. So it's really about helping them getting back to that practice they really wanted at the beginning and a life and a practice that they deserve and that they love.

JS: And to Chaz Prezident, now I like the play on words of your name firm Whitehouse. Tell us a little bit about yourself and your presidential firm.

CP: (laughs) Obviously with a name like Chaz Prezident, I do tend to stand out. Naturally I tended to want to link in my name into the brand. Throughout my career I've always practically lived at work, I probably lived beyond a 9-5 life, where does the president live? He lives in Trump towers, but that's probably historically not so accurate. No, the president lives in the White House and I thought that was a really gentle way to remind those clients that engage with us and our business that they have a connection to me but I probably didn't expect at the time was the connection to the community and the support and what we were then subsequently blessed with, which is grown beyond me and is our team and our firm and our philosophy. My background has always been as a passionate small business advocate. I absolutely believe that small business owners have got the tough end of the stick in terms of all of the challenges that they face. And I also think that as an accountant we have the ability to support those clients – and small business owners – through their journey and their cycle.

JS: That's fantastic Chaz and you've been recognised as accounting thought leader of the year which is a great achievement. Can you give me some background on how that came about?

CP: As our White House journey started, what I believe in and what our team believes in is about helping our clients. We were very blessed that we were strongly

engaged in our local community on the Gold Coast and South East Queensland and thought leadership was something that transpired after our firm started to grow in a way that we were passionate about and, and something that we truly believed in and apparently that was quite different to what is considered the traditional accountant. So, we like to challenge the notion of what being an accountant is – we're strong believers in our team and in our culture. Our journey to thought leader wasn't a goal that we wrote on a white board that we said that we were going to win, it was something that happened after we started our journey into public practice and it was something that happened after what we were doing - thinking we were doing it the only way that we knew how - turns out that was slightly different to what is the stereotype.

JS: Look I think it's one of those things that you look back on and you wonder actually how you got to where you are, but also in that, the perceived ease that it looks from the outside is not quite the case from the inside. And I just want to pick up on one point that you made that your team believes in the same things that you believe in. And so how did you make that happen as a leader – what were the tools you used or can you give us some tips and tricks to some people out there, looking to align their team and get them on the same journey as them?

CP: I think that it comes with buy in, it doesn't obviously have to be financial buy in, in the traditional scope of what an accounting practice might look like. It's more about transparency with your team and I think transparency is the foundation of the relationship that we have internally. We're also probably very disciplined in what we communicate our values to be, and we align those values and we constantly measure our alignment in terms of what we believe in internally. So, we're huge participants in our local community, it's something that I'm very passionate about. We believe in strong communication skills, we believe in strong soft skills, we believe that we should have confidence. And often there's a case where you don't know the answer and I think confidence is your ability to acknowledge that you don't know the answer, put your hand up, and then take steps to find the answer. We talk a lot internally around our goals outside of work, not only inside the firm. I think that's a foundation of understanding each other and your personal relationships and without that understanding of who we are as people, I don't think we can create the successes we can in business as well.

JS: Yeah look I think that's really important there - people have both personal road maps and professional road maps as we go and perhaps if I can just bring Amanda in here just to touch on one of the points that Chaz just brought up is about the fact you've got to be vulnerable if you want to transition and change and that it's not going to be smooth, it's not going to be easy and you're going to be put into positions where you're going to be on a learning curve and you've got to be able to as a leader, understand that that's part of the process and that whenever you look at any bright shiny accounting firm, in behind it there's gone a lot of toil, a lot of heartache, a lot of learnings and dare I say, a lot of mistakes have gone into getting to where you need to be and it's all about making that learning curve a little bit shorter if possible - engaging someone like yourself Amanda would help accounting firms do that?

AG: Absolutely. So I guess that vulnerability actually comes out potentially on that very first phone call that people are then had the courage to actually pick up the phone or send that email and what I find is, it actually takes quite a bit of, quite a bit of courage to do that so people may have been hearing some of the messages that I've been putting out there for the last 3 or 4 years and they know that, that it is resonating with them, but it actually takes something then to make them pick up the phone and that is, having that courage and being vulnerable in that situation. And one of my clients' particularly, I said at one stage, I said, you know, can I have a look at your figures? This was quite into the relationship, not straightaway, and which is something that I do now quite regularly as let's put everything on the table from day one - and I said "what would you have done if I had asked to have a look at your figures?", in those very early conversations and do you look at them yourself? And they said, yes I do look at them - I feel like I'm working so hard and for what, at times. And that is that vulnerability, but let's just put it out there but unless we can actually see where we're at and what's not working, we can't move forward and also where is it do they want to move forward to? And I think that's so important because we all are potentially disillusioned, that we've all got to be the same, we've got to have the same practices and we don't need that. We're all, you know, going on this path that we think we need to be and one of the things that I feel that I do and following on from what I said that I did as an accountant is building those relationships and really having those trusted relationships but bringing all those things out and it's ok to be you. Where do you want to go and let me help you get there. As that trusted advisor, as the leader, how can we get you to where you want to be and if that is

the four day week which I'm a big fan of too! We actually used to close our office at 12:30 on a Friday when I had the accounting practice and staff absolutely loved it and that's one of the things that we did from a culture perspective they just loved it and got used to it and they said actually that's a great idea, we might do that ourselves! And it's really getting back to what that vision is and being totally aligned to it and being proud of it and saying, this is who I am, this is what I want from my business and, getting help to do it. That's one of the things that I absolutely love doing

JS: I think it's a really important point. You've got to stop and work on your own business as well and identify exactly what you want to get out of your own practice and then try and design that in a new way, embracing technology and through this post-covid environment, really leverage some of the things we've learnt. So the next questions to both of you, what are some of the biggest trends shaping the profession that you currently see?

CP: What we've found with our business and the relationship we have with our clients is that it's really transitioning into a full level of support for our clients. We're moving away from the transactional, traditional tax relationship even though tax and compliance is obviously a large component of our business. We're transitioning into a team structure where we're working with our clients, we're creating a foundation of a team and then we're bringing on specialists in different roles that add value to our team. What we're seeing in terms of the trends of the profession and whether we're talking at a boutique firm level or a national level is this idea that your accountant is a great place to start. I think it's all about a level of respected advisor and I think it's something that if you can start a relationship with respect and you start your relationship with transparency with your clients about what you're going to do, why you're going to do it and then also the fees involved if that is something you identify as an issue for your clients, the whole relationship from there is fantastic. I think the idea of accountants is that we're kind of time travellers to an extent – we're saying that historically, we were working in the past, this was your tax. It was the past, here was the last 12 months, here is your tax bill. It was a small transition there while where we were talking about the present – wow, we're moving towards cloud based technology, as of today, this is your debt-of-balance, this is how you can improve your cash flow. Now, -we're moving towards the future, where we're talking about to clients proactively and actively acknowledging their goals

and saying, where do you want to be in the future? We build backwards from that so that we have this really amazing ability to travel through the three tenses of time and be able to add value to our clients across all three layers.

JS: That's a fantastic and eloquent way to put that Chaz. Thanks very much, I'm probably going to steal that and use that on my own team if that's ok with you. Amanda, just interested in what you're seeing are the biggest trends shaping the profession right now?

AG: From the small and solo space, I'm seeing two things – one, I'm seeing quite a bit of despondency and in a lot of the groups people are actually questioning whether they want to actually do tax time next year. So that's a really sad situation I believe, because of all that's happened it's not just because of Covid, there's been a lot of things working up to this that's actually totally overwhelming, totally a stressful position for many of these solo practitioners. Fortunately we've had so much support with these online communities that have been able to help, and help them actually survive this particular tax season. So I think there's a lot of despondency and “what am I doing”, “I have gone off path, and actually I don't know if I even want to come back on there?” which I think is really sad because these practitioners are so passionate about what they do, they are bending you know, over backwards to help their clients and they're the most empathetic, giving people, but they're actually tired. And one of my clients who I spoke to this morning said, I'm actually really exhausted, you know, I'm exhausted. So that's one trend. The other trend is for those that obviously are not being despondent about what's happening, they're obviously realising this is a very tough time, they obviously still want to be in the industry but they are actually saying over the next 12 months, things will look very different in my practice – “I am going to really reassess my goals, my purpose, my ambitions”. “What, who are the clients I do want to work with?” And also the use of technology, so really looking about, working out what it is they'd love their practice to be like and then reverse engineering over the next 10 or 12 months to ensure they get that and they're not going to change. So things like pricing for instance, they perhaps know that their prices are too low, OK? But most of them are saying, look I know this in this climate, we're not going to increase prices – but one of the things I've been talking to clients about is actually using what's happening now to perhaps actually, this time next year having that pricing sorted. So don't change anything right now, but then how would that look next year? How is that going to help you

achieve that practice you really want to have? So using some of the learnings from Covid and what's happening now, without changing too many things, but actually setting them up for success for next year.

JS: What I'm hearing from you both is that mindset is a really important factor, not just because of Covid but where people want to progress to within their own businesses. And so I just want to just stop for a little moment and just think about those customers that are feeling right now that they're not sure they want to be in the industry and I just want to know what would be the one thing that they should be thinking about doing right now to help them get that first step forward and get them progressing to where they need to be?

AG: I think the first thing would be looking and really articulating what your vision is, OK? And then from there, that's going to help make certain decisions so when you are in a quandary – is it going to be aligned to that vision? And if it's not, it's a big no. I think one of the things with accountants is, we are all very giving people, we want to help everyone, and what I say to my clients is that you've only got so many hours in the day, who are you going to help? And I think so many are putting their clients – which is so honourable – before their own needs and their own family's needs, so I think it's about getting that balance between that, so definitely looking at your vision. Getting back to what it is that you intrinsically want, what drives you.

JS: I think one of the important things we've got to remember as chartered accountants is that we've often got the mechanics car when it comes to our own business, and that the mechanics car is always running a bit rough because we're too busy fixing everyone else's and at CA ANZ we talk about chartered accountants being the difference makers. But how do we ensure that we put that oxygen mask on ourselves first and how do we make sure we look after our business first and our people whilst securing our own futures. And Chaz, I just want to ask that question to you, because you sound like you've got a story, and you sound like you're on the journey, but the journey's always tough – how do you go about telling your story to others around why you're a difference maker, and how did you come up with it and how easy was it to take from a piece of paper and actually put it into action?

CP: Yep, great question. It's a very, very long journey believe it or not. At 33, I've been an accountant in public practice for 12 years. I actually started in the GFC 2007, so what a place to start in terms of – this is how an accounting practice looks

and feels. Obviously I didn't go through the challenges a lot of my peers did with the introduction of things like GST and some of the evolution that we have in technology. Fortunately I have seen first hand how we used to do accounting. My first accounting role was a trainee undergraduate accountant, and I was lower than probably the stapler in terms of hierarchy internally at the firm, or probably helpfulness anyway. And from there we started typing in, recreating bank statements and doing all the things now that when you look back and you use the modern day technology perspective, you go, I can't believe the banks used to send us typed bank statements and we would retype that information into a platform – that sounds outrageous and when we talk to our team and say this is what I did, then I don't consider myself old outside of a sporting field. A lot of that challenge or understanding of how it started for me in my journey, has helped me understand what I don't want my future to look like. I have been blessed - I've worked with some amazing accountants in a couple of firms - and what I have been able to absorb from those people has helped me understand what I think my version of happiness looks like. We were talking earlier around the concept of people currently or other practitioners being despondent, or upset with how they're currently going – I think that's fantastic. I think that's such a great opportunity to acknowledge that what you're doing isn't right, I think that is the first step of change is accepting that what you're currently doing isn't working for you. We, we talk a lot internally around the concept of impact and impact comes from action – impact doesn't come from talking about, “Oh, these are all the reasons why this won't work”.

There's 99 reasons why this won't work, we just have to find the one reason that will work. In terms of pricing and value – value is in my opinion, something you create, it's not something you simply justify. Value comes from the work that you do and accountants are empathetic, we're compassionate, we're great problem solvers – we've got all of these amazing skill sets that make us fantastic at our job and maybe it's the explanation or the communication that historically lets us down. But I also think a lot of the problem that restricts accountants in being great or being happy as a minimum, is because they're told they can't. Accountants have often said...we...accountants as a movie, there's movies about law, there's TV shows about law and it's at least in a law firm – with accounting, we had a movie and we had to give him a machine gun to make it entertaining! And I think a lot of that is instilled externally pushed on to us and we start to believe it – perception is reality and I think a lot of our challenges come from our own disbelief, so I would

encourage everybody to use the foundation of today to understand what they don't like and work backwards from there. I'm an absolute sucker for respect – I think respect is the foundation of all relationships, I think it's something that is paramount to our clients, it's paramount to our peers and it's paramount to pretty much all relationships that we have and I think where people come unstuck is the ability to say no. There's a huge element internally in an accounting practice - this seems to be quite a common problem, that we say, OK we're going to do a whiteboard, we're going to write down our values, we're going to say we're about community, we're going to be about impact or passion or, and being approachable and all of these great values, and then the first interaction where you have with someone who doesn't share those values, we say, yeah that's fine, I'll compromise these because I'll just get it done. And I think that's undoing the respect that we need to have and I think that's part of the issue that we get caught into about our own potential. So I would say it's all about owning your own happiness – I think everybody has the ability to choose their happiness, choose their motivation and actively work towards that, and then once you have an understanding of what makes you happy, let's do it.

JS: Fantastic words Chaz and I don't think we give ourselves enough credit for how resilient we are, when we think about the number of changes that we've been through – whether we've been in the industry five years or 25 years or longer. So Amanda, if we shift our focus now to technology, you've been paperless for 12 years and I know that many accountants are wishing they had done that, given what's happened and the environment with covid-19. So what are the sort of impacts and what are the sort of advantages that technology gives us, and if I'm sitting here thinking about what I need to do as my first step, what would say to those more traditional-based accountants that perhaps aren't in the cloud, what would their first steps be and what are the opportunities that they have?

AG: You're absolutely right John – technology is a game changer and it's certainly one of the reasons for the success of my practice. So 2008, went paperless and you know, that was paperless document management and work papers. So everything was standardised across my whole practice and that allowed me to review things quicker, get that standardisation, the quality was a lot better. And that then flowed into pretty much everything we did. That allowed us to work remotely. Cloud accounting – again, we adopted cloud accounting very early in the piece and my

clients absolutely loved it. One of the non-negotiables that I had when I started my practice back in '99 was that everyone had to actually ditch their cash books, manual cash books and excel spreadsheets and embrace accounting software. So we did that and I had boxes of software – I'd wait till I got ten, and I'd order ten boxes of software - and they would come to my office and some of those clients, they didn't even have a computer.

But GST was about to come in, I was about to have a baby and I wanted to ensure that I could actually give them the advice and I could advise them much easier with that technology. So, for them when the cloud versions of the software came out, it was just a natural progression. It took some a little more time to embrace, but they trusted that they'd been on that journey with me for so long, with the software, that I wouldn't sort of give them, faulty advice and not one of them came back and said I wished I'd go back to my cash book. They all loved it and that was an, that was an education piece, and empowerment piece that those clients of mine, I trusted that they could do that and I think a lot of accountants worry that handing over - say something like a cloud technology or even accounting technology – to their clients is actually going to do them out of work. In fact it actually created more work for me, so when they have an issue, they actually say how do I do this? And any of the software that either the clients need to use, or you in our firm need to use, it's actually an investment and saves you so much time. They're the sort of things that you're doing on weekends, doing manual things that could be automated.

CP: Adding on to where Amanda was on that the biggest foundation of this conversion into allowing technology to better serve your clients – but also create opportunities for yourself commercially as well and your practice – is the absolute acceptance that time isn't scalable. There's only so many hours in the day and you might have ambitions to work more hours than others, if that's what drives your happiness, then fantastic, all the credit to you but once you accept that time isn't scalable, the next part is how do we use that time to create the most impact. It's actually written on one of our walls in our firm, there's a sentence and it's: "We don't write off time, we invest it". And I think that's something we talk a lot in relation to our clients - because we look a lot in the actual tech space - is this concept of investment and if you're passionate that your time is valuable, there's a direct attachment to time and value – your time – if you get to the point where you're actually writing that time off, you're accepting that your time has no value. And if

you've accepted that time isn't scalable, and you've accepted that you could've left at five, but you've stayed till 7 or you've gone in on your Saturday to complete a job, you're doing that for no value. And I think that's where the foundation has to start of, we're actually investing this in our clients. Accountants love comparing numbers and having quantifiable measurement sticks and if you look at where your right-offs start, look at the impact that you have for the next year, and if the right-off is the same for the same reasons, did you actually invest that time? Or did you say my time has no value?

AG: I often hear – both, accountants talking about their own practices but also their client's businesses – that “oh we'll wait until we're a little bit bigger to invest in that technology”. Like I'm a big believer in investing at the beginning - because if you actually have factored into your budget that you want to get certain software, that just means that you have to potentially bill more, and actually bill more appropriately. I'm still happy to pay for a subscription for something like Calendly, that people can book time into my diary to stop that going to and fro with emails. I'm investing in things like PayPal to buy some resources, where a lot of accountants are saying we don't want to do credit card because there's a cost to it. No matter how small you are, I'd encourage everyone to think about where they want to be and if it's small investment now, it's going to help them and give them their time back, which is so precious. You cannot get that back.

CP: And I think a lot of it is based on this foundation of hope and the thing we talk a lot with our clients and their goal setting and we try to treat our own practice as a client in times as well, is that hope isn't a business strategy. The idea that next year is going to be different and I hope that next year is going to be different – it won't be different because hope isn't a strategy. And when you prioritise that own concept of happiness or purpose, you do create a different outcome. The part of technology that has helped our business incredibly well, is accepting that we won't be a multi-tech firm, rather than being a jack of all trades, and master of none, we become very specialised and very efficient in utilising the technology that we're great at and then, you know seeking the opportunities to work with clients that can help us add value to them. If you're working with a client who's going through some incredibly difficult times because of coronavirus or lockdowns, are they retaining their workforce? Their workforce is their family, is that an impact that you're able to provide through the services that you provide and you know, that impact from their

perspective is fantastic. And it's the same with your staff as well – when they're talking to the clients and supporting them and they're feeling like they're contributing to something other than an end of year report that's going to sit in a drawer, in a sealed envelope and never be read, chances are they're not getting the satisfaction of the impact that their time is creating, and time is valuable at a team-member perspective as well. So I think a lot of this technology conversation has to start definitely from a practitioner level and a motivation to change.

JS: If I was just to sum up what Chaz and Amanda have just said is that success is not perfection and that it's an investment and not a cost. And so what would be the one must-do that someone listening to this podcast that feels like they just need to make that step forward, what would be one of the first things you would get them to do if you were giving them a little bit of advice around the technology and around their mindset and their thought process?

CP: I would say, ask for help. I think the absolute foundation is we're chartered accountants, we're not computer experts, we're not software developers, we're not at the forefront of developing resources to better your business. What we can do though, is access a wide range of content, there's a huge support network in your community. We are chartered accountants, we are part of a community of chartered accountants and I think what's been so amazing for me is that when you ask your peers, they're more than happy to help, there's such great people out there that are doing some really great things, where they're able to share what works for them. They're probably more than willing to share what doesn't work for them as equally, and I think that's really important. I think the first step is accepting that you don't know the answer and finding where the answer is going to be.

JS: Powerful Chaz. Amanda?

AG: So it's really about realising there is technology that can actually save that valuable time and yeh, ask away in the communities. The online communities in my CA, there's a wealth of information and people love to share and I think we've seen that a lot with Covid in the communities, in the collaborations, everyone is so willing to share to share their experiences, to share their resources, to share and to be vulnerable about how they're feeling. Everyone is happy to share but ask, and be receptive.

JS: I think that's the power of the community and certainly CA Catalyst has gone a long way and CA ANZ have gone a long way to try and create those communities where there's some vulnerability and the ability to not only ask what's going well, but ask what didn't go so well and what would do differently next time and, how long was the learning curve, because we always think the learning curve is going to be shorter, we always think things are going to be cheaper and we think we're going to get to that end point a lot quicker than we actually do, but I don't think we ever do - that's just human nature, it is a journey. Thank you so much Amanda, thank you so much Chaz, it's been wonderful chatting to you both today. I hope that the people listening to this podcast have got plenty of to-do's out of it and have shed a lot more light on what they need to do next in their business, in their practice to get a smarter, better life and get a more fulfilling life. Thank you so much.

CP: Thanks John

AG: Thanks John

JS: That's it for today's episode of Small Firm, Big Impact. We spoke about taking time to work on your business, make that plan and take small amounts of action often. The key message was undoubtedly to make a start and collaborate with others. Now I know firsthand that it's easy to say and how to do and it won't happen overnight. But I really encourage you to step outside of your comfort zone and have a go. In coming episodes, we'll break these things down and explore incremental changes that you can focus on. Or the things you could stop doing in order to continue to make an impact, doing more for clients involves you consciously making a start. If you've made a start then please keep the momentum going to talk to other members, get out from behind your desk and find out what's happening outside of your firm.

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 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.