

Featuring:



Will Farnell

Chairman of Farnell Clarke



Advisory

Advisory Pricing Pitfalls and how to avoid them

We all learn from our mistakes. Will Farnell, author of *The Human Firm*, and Chairman of Farnell Clarke has always been an early adopter of accounting tech. His vision of using cutting-edge technology alongside a relationship-centred accounting firm has resulted in Farnell Clarke becoming one of the most advanced advisory-focused practices in the country.

However... The problem with being the first to do something is that you are often the first to make mistakes! Here are some pricing mistakes and the lessons Will learned along his accounting journey.

Futrlı by Sage content writer Daniel Heathcote caught up with Will Farnell to discuss these challenges and the lessons other accountants can learn along the way.

Fixed Pricing

One of the biggest mistakes Will says he learned while developing his firm was around fixed pricing.

In 2008, when Will set his firm up, he thought he had made a smart call by introducing fixed fees. With that, he closed the door to being able to upsell anything.

He thought this model would cover 95% of his clients' needs. Unfortunately, this resulted in keeping prices the same for several years.

"I use the example of a client that I took on in 2008 and they were just setting up a partnership and they were about to go into a limited company structure. I sold them management accounts and VAT returns and a bit of software and payroll.

I think I charged him £150.00 a month... and eight years later, we got to reviewing our fees. This client was doing £1.6 million in revenue. They had 34 people on the payroll, and we were still charging £150.00 a month."

And during that time... Do you think Will was providing pricing advice for his clients? Of course, he was!

Will and the team at Farnell Clarke realised they needed to move away from a fixed pricing model and to review the ways that they priced their offerings in the same ways that they would their clients.

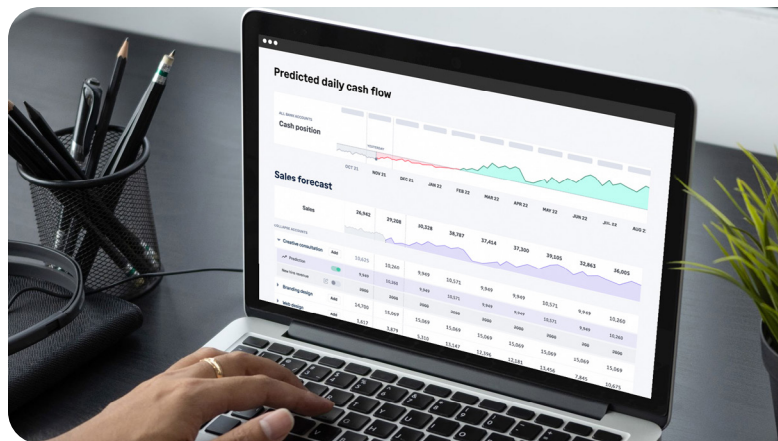
Scope Creep

"The second big mistake I made was managing scope well. We ended up performing work that was outside of what we had intended to deliver. Every accountant is a really nice person and doesn't like having difficult conversations and they therefore often go out of their way to support a client to their own detriment."

Will Farnell resolved these challenges at Farnell Clarke by defining what was in scope. If you know what is in scope, it's really easy to know what's out.

Nowadays, there are excellent tech tools to ease scope creep and keeping the work you do within scope. GoProposal by Sage are industry leaders in this field. They helped clarify what Farnell Clarke were charging on a monthly basis and helped the team understand what was in scope and what was out of it.

Knowing when something is outside of the scope provided by your monthly fees for your clients helps facilitate discussions around new advisory work.



Knowing when to charge and when to invest in a relationship

Will has taken different approaches to knowing when to spend time investing in a relationship with clients and knowing when to charge for services.

"I've always said that if client comes into your office and comes in for meeting half an hour and I get to have a cup of coffee and ask them about their business, then that's a great opportunity to deepen our relationship and potentially find opportunities to add more value to their business."

The key point here is that as accountants, Farnell Clarke focus on helping clients make more money and help them grow their businesses.

The rest takes care of itself.

Rather than thinking about which clients will buy cash flow forecasting, they look at which of their clients need help now to understand their cash positions. From there they help them achieve that through using tech.

Instead of thinking, "We have invested in tech solutions, how do we sell this tech to clients?"

Try thinking, "How can we add value to our client through the solutions we have"

We've had small businesses project their cash flow in Futrli only to find that they're on the way to going bust. [maybe internal link to Stu Hurst case study?] Advisors have stepped in, demonstrated the changes they need to make and forecasted different scenarios.

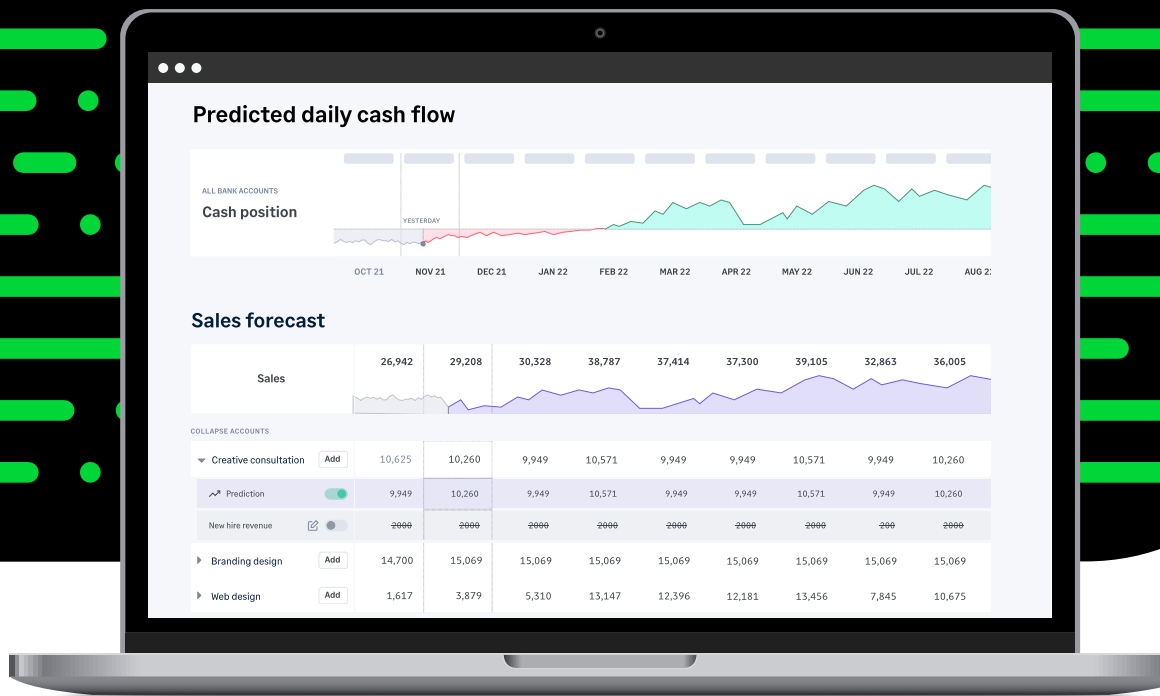
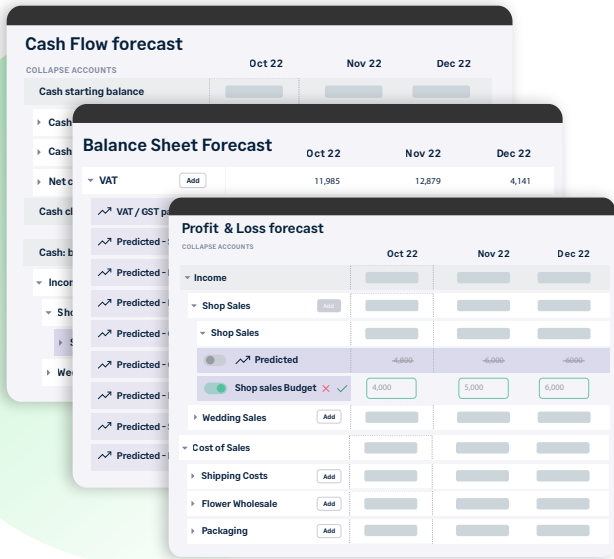
The companies learned what they needed to ensure they stayed in the game.

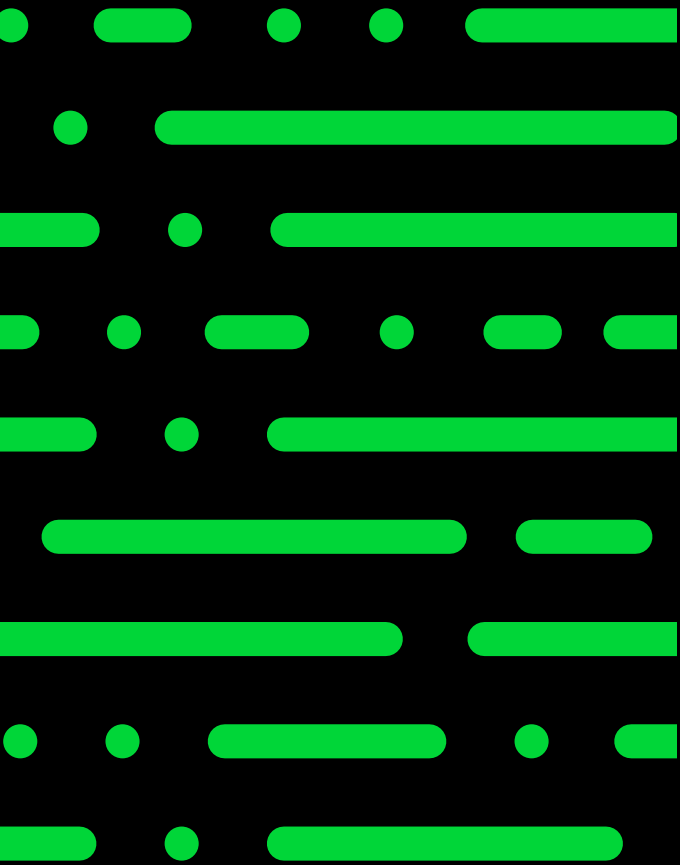
The tech solution solved a problem, it wasn't an add-on. It added value.

When investing in tech it pays to think about the problems your clients are facing.

If rolling three-year forecasts, scenario modelling, and accessible reporting will add value to your clients' businesses, then we may have the solution for you at Futrli.

Book in a 1:1 demo with a member of our team and see if our features can help put money in your clients' pockets.





34%

Average increase in productivity reported by customers

2.8x

Increase in income reported by Futrli customers in 2021

33%

Increase in available cash reported by customers

Help your clients make the right decisions with scenario planning. Save yourself time today by joining Futrli.

[Book a 1:1 Demo](#)

[Start 14 Day Free Trial](#)