



Advisory

Our 3 tips for expanding advisory

Advisory has emerged as one of the most profitable areas for accounting firms to diversify into. That said, it can be a challenge to take the leap, moving from compliance activities to making advisory central to your firm.

Here we offer three key areas to consider when looking to improve upon your advisory offering.

Offer Forecasting

Cash flow problems for small businesses have become significantly more challenging in recent months. Many of the UK's small businesses are also affected by late payments and being taken advantage of by larger companies.

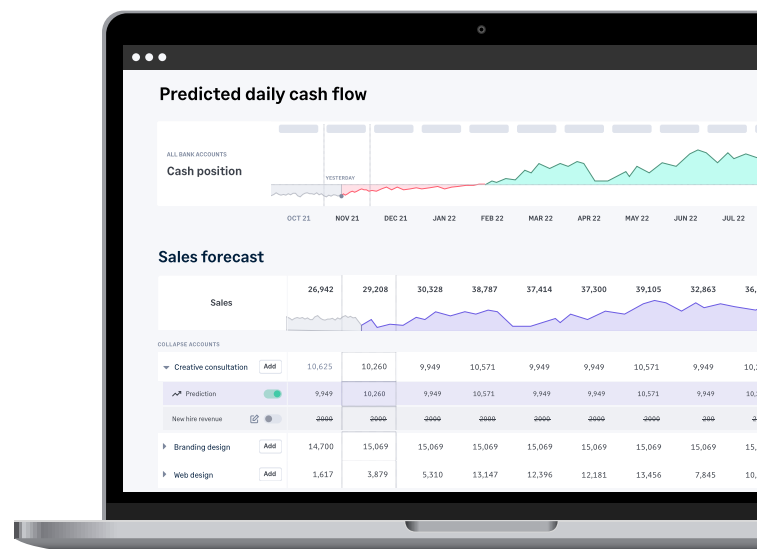
The Business Secretary, Grant Schapps, announced last month an in-depth review into the payments practices of larger companies to ensure smaller firms are not taken for a ride. Small businesses across the UK are owed a whopping £23.4 billion in outstanding invoices.

That many small firms are routinely paid late is intolerable and presents a real barrier to productivity, the creation of high-skilled jobs and ultimately economic growth.”

Grant Schapps, UK Business Secretary

Now, we're under no illusion that larger firms will suddenly start paying your clients on time... However, you can forecast these events for your SMEs. Forecasting your clients' cash flow by accounting for the trends in late payments helps effectively provide the information clients need to address ebbs in their bank balance and stay afloat.

The most effective forecasting solutions account for trends in late payments instead of presuming that clients will pay on time. For the most accurate results look to forecasting software that can make these judgements.



Price your clients' offerings

SMEs don't enjoy this task. The cost of living crisis has made the challenge even more difficult as the prices for raw materials have fluctuated immensely.

The fallout from Covid and now the war in Ukraine has affected our clients in the construction industry. Timber and steel costs have gone up. Using pricing matrixes from 12 months ago means that you won't make any money.

Stuart Hurst, Director, Accounts and Legal

Through your intervention, you can ensure clients' pricing reflect the changes in their industry. There are many aspects to consider, and accountants are in the best position to address these factors. All businesses are going to have to address their pricing over the next year, make sure your clients look to you for advice here.



Reporting

Reports are invaluable to your clients for scenario planning, loan applications and for Key Performance Indicators (KPIs).

For scenario plans, demonstrate through reports:

- » Where your clients are right now.
- » What they need to achieve to reach their business goals
- » Whether they are on track with their ambitions

By identifying a series of KPIs for your clients and including them in your reports, you provide the best, most tangible, information SMEs can use to track progress toward their goals. Whether your clients' KPIs are new customers per month, client retention or something more unusual, ensure it has critical value to their businesses. A clear set of goals for your clients and their employees guides them towards results and works as a great internal motivator for teams.

The **best reporting software** providers out there directly link source data to their reporting platforms. Clients can use this information to demonstrate real-time data to lenders. When you can automate this process, you're on to a winner.

We wanted to automate the process as much as possible. We use reporting packages from Futrli to communicate with the banks and find out what they want to see within reports. The package we've created now works for pretty much every lender on the market.

Steven Millerchip, Partner, Brearley and Co

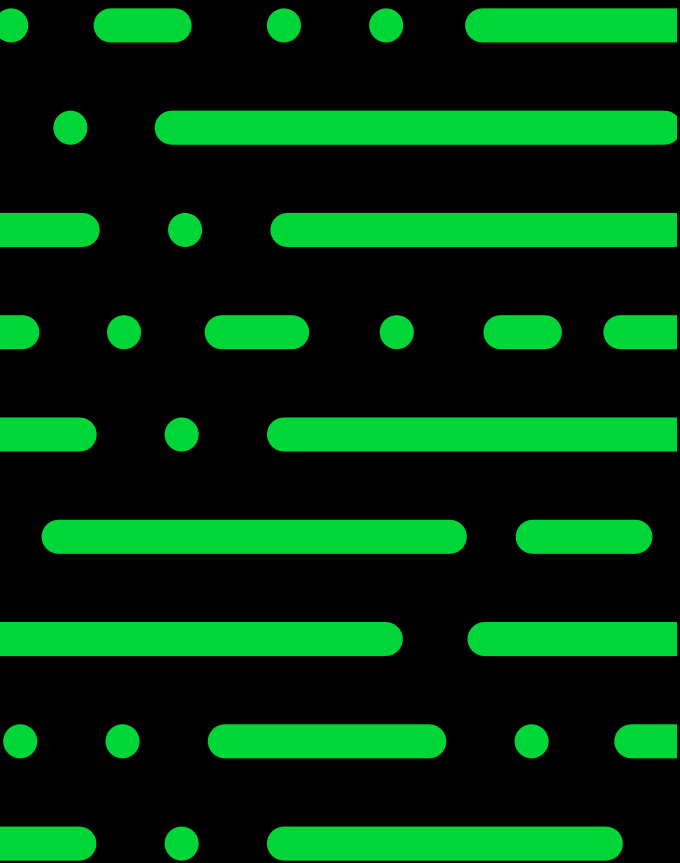
Reporting solutions shouldn't mean that you are buried in spreadsheets either. (If "spend less time in spreadsheets" wasn't one of your New Year's resolutions... Why not?)

Drag and drop reporting has changed the game, what once needed an advanced course lesson in Excel now just takes a couple of clicks. Make the most of these software innovations to cut down advisory bottlenecks.

Remember! These solutions don't have to be time-consuming or expensive. Forecasting solutions, pricing modelling and reports can be scaled within your practice with relative ease through tech-based solutions.

Check out how Futrli may be able to help your firm achieve its 2023 advisory goals [here](#).





34%

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2.8x

Increase in income reported by Futrli customers in 2021

33%

Increase in available cash reported by customers

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