



Futrli Guide to Advisory Services

The Power of Predictive Modelling

Accurately predicting the future is highly desirable for accountants and their business customers operating in an increasingly uncertain world. Find out how this data-driven capability could revolutionise your approach to advisory services.

What if you could see into the future and visualise where your client's business will be? How would it improve your relationship? What conversations could you have? What services could you begin to build with a map of the future?

Australian accounting professionals can carve out an enviable advisory offering using the power of predictive technology. Practitioners that care for their business customers can now deliver valuable strategic advice to businesses based on accurate forecasts.

This guide presents a fresh approach to advisory services. The role of the accountant has evolved, with Australian practitioners becoming increasingly willing to play a more strategic role in the businesses they work with.

With economic uncertainty and rising costs weighing on SMEs, the ability to present accurate forecasts can be a powerful solution. The Futrli Guide to Advisory Services: The Power of Predictive Modelling has been designed specifically for Australian accounting professionals.

The evolution of accounting

The role of the accountant continues to evolve. In Australia, the pandemic brought accounting professionals and their business clients closer together — COVID-19 forced practices to quickly shift into crisis management mode, with many Australian accountants fielding phone calls from anxious business owners.

As the government's support packages were delivered, practices across Australia became the central point of information and guidance to SMEs. The intensity of this period will have a lasting impact on both accountants and businesses.

Businesses are now relying on their accountant even more, creating significant growth opportunities for savvy practices. This also means embracing new systems, technologies, and offerings to support the growing needs of SMEs.

In Australia, business advisory services are now being offered by 59 per cent of accountants, according to Xero's March 2022 State of the Industry report.

The average Australian accounting practice provides services to 183 small businesses that employ around 25 people. With more than half of accountants advising these businesses, finding innovative solutions is key to gaining a competitive advantage.

Helen Cockle, chief operating officer at Futrli, says the growth of advisory services in Australia has been significant. "Australian accountants are becoming increasingly sophisticated in their advisory offerings," Ms Cockle says. "As a UK-based technology business built for accountants and their business customers, we see Australia at the forefront of this evolution of the profession."

Futrli has developed prediction technology that gives accountants a complete picture of where a business is headed. Ms Cockle says the level of future insight accountants can glean from the platform is growing each day. "These insights will play a pivotal role for practices that have come through the tumultuous years of the pandemic with plans to grow their advisory services," she explains.



“Accountants are the trusted advisers to many small business owners who need their help to navigate the price increases, decreasing purchasing power, and the potentially challenging waters ahead in the business world.”

Helen Cockle, COO, Futrli

Economic uncertainty

The pandemic may be over, but the economic fallout is now upon us. Businesses now find themselves in a very different operating environment marked by record-high inflation and rising interest rates.

Nearly half (46 per cent) are seeing increases in their operating expenses, according to figures from the Australian Bureau of Statistics (ABS). Meanwhile, more than two in five businesses (41 per cent) are still facing supply chain disruptions, a figure that has remained steady since it peaked in January 2022 at 47 per cent.

The next two years will be challenging for Australian businesses, with rising costs expected to continue. The federal budget delivered on 25 October forecasts power prices to soar by 20 per cent this year and a further 30 per cent in 2023–24 for a compounded increase of 56 per cent.

In this environment Australian accountants are perfectly positioned to continue providing critical support to their business customers. Data from Xero shows that despite the economic headwinds on the horizon, accountants see opportunities for growth in a post-pandemic world.

“There are two different directions of approaches that accountants can take with their small businesses in times of rising inflation,” Ms Cockle says.

“One is strategic action in alignment with the business’s longer-term strategic goals. The other is non-strategic, short-term actions to streamline the business, cutting costs, and refining the commercial business operation in order to achieve goals in the most effective way possible.”

“Both options are highly effective. However, they are bespoke for every business, driven by its individual circumstances, health, the expected impact of inflation on its supply chain, and of course the resources they have available short, mid, and long term.”

Accurate predictions in an uncertain world

Futrli is a powerful prediction modelling platform that allows you to understand the short-, medium- and long-term performance and projections of any business.

The product has been built to be used as an off-the-shelf solution, delivering immediate value to accountants and their clients — from simple forecasts to full-scale business modelling. The technology that underpins the product is based on algorithms that drive predictions.

Dan Daly is a UK-based accountant with over 15 years’ experience helping businesses grow. As Futrli’s head of advice, he looks at the platform through the eyes of a user.

“One of the first questions I would be asking as an accountant is: what if these predictions don’t line up with what I believe should be forecasted?” he says.

“The good news is that platform can be calibrated by the accountant to remove outliers, such as a short-period of strong revenue growth.”

With Australian practices looking to grow and identify new revenue streams, Futrli’s predictive modelling provides a fresh approach to client interactions.

Mr Daly sees the platform as a catalyst for a new advisory relationship with clients.

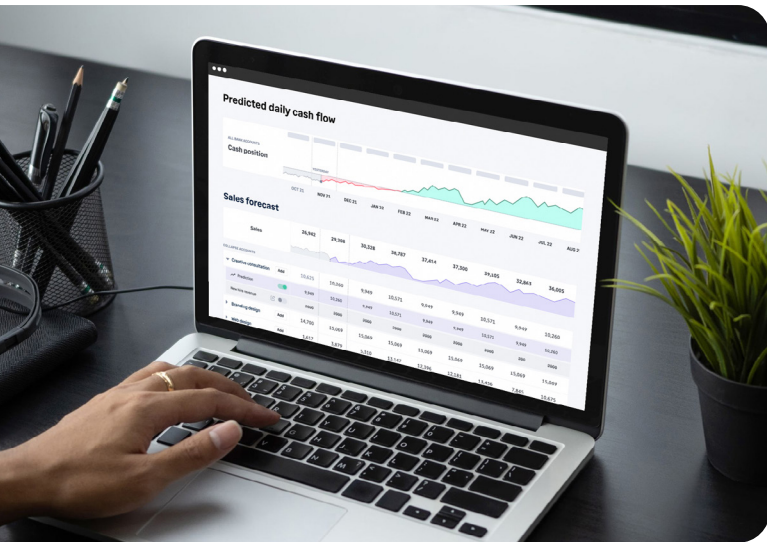
“Practitioners in the UK have been putting together that first predictive forecast for a business and presenting it to the client. This has successfully led to new conversations about their business objectives and where they are headed.”

“We know Australian accountants are looking to either begin offering advisory services or expand the advisory services they already provide. Whatever situation you’re in, we’ve found the predictive modelling of the platform is a great starting point. It allows you to show businesses exactly what their costs, revenue, invoices, staff metrics, and other important indicators will be in the future.”

The accuracy of any prediction solution is critical. Futrli shows its workings, which means accountants can easily click on a prediction to see the basis of assumption. The prediction is always 100 per cent accurate to those base assumptions.

“Accountants will always be curious about the numbers,” Mr Daly continues. “Every accountant will run a validation exercise on Futrli to make sure the predictions are accurate.”

The main point of reference for those looking to validate accuracy is the ability to view how a prediction was made across transactional and accounting adjustments.”
“As an accountant, those are exactly the numbers I want to see.”



Business benefits

Futrli Predict allows SMEs to operate a predicted business that is future thinking. Business owners can focus on the profit they could make, rather than the profit they have already made.

Most prediction tools use a three-way forecast of cash, profit and loss, and balance sheets. Futrli Predict uses a five-way approach with the additional two areas being the ability to forecast based on customer invoices and supplier bills.

“In the past, the relationship businesses have had with their accountant has been reactive and limited to a couple of times a year,” Mr Daly says.

“We’ve created a solution that supports the evolution of that accountant-client relationship, something that is proactive. We put data at the heart of strategic decision-making.”

Australia is experiencing record-low unemployment and this labour shortage is one of the biggest challenges for SMEs in the current environment. ABS figures show almost one-third of Australian businesses (31 per cent) are having difficulty finding suitable staff.

“With Predict, businesses can use scenario modelling for things like staff turnover and staff utilisation, which means greater certainty around resource planning,” Mr Daly continues.

“Businesses are therefore better informed and well positioned to make those important hiring decisions.”

Creating more embedded, sustainable relationships with clients is one of the greatest benefits that Futrli delivers. The platform has become a powerful force among UK practices looking to build a superior advisory offering.

From a technology perspective, Futrli gives practices as much control as they need over predictions. It includes four methods of overriding the algorithm: formula, repeating, unit-based, and freestyle.

As the Australian accounting profession continues to evolve, the power of prediction technology will become an integral part of sophisticated practices.

“As the relationship between accountants and businesses deepens, it moves beyond commoditised services toward value-based services,” Mr Daly says.

“You can’t commoditise good value advisory. Predictive solutions give practices that additional confidence to build a formidable advisory business that delivers value and prices on value.”

Technology that thinks like an accountant

Futrli is fully integrated with popular accounting software like Xero and QuickBooks. User experience has been front of mind in the development of the software, ensuring accountants are able to seamlessly use their ledger to begin creating scenario modelling for businesses.

However, unlike some prediction tools, Futrli is very much a human-driven service — it puts the power in the hands of the accountant to fully utilise and harness the technology.

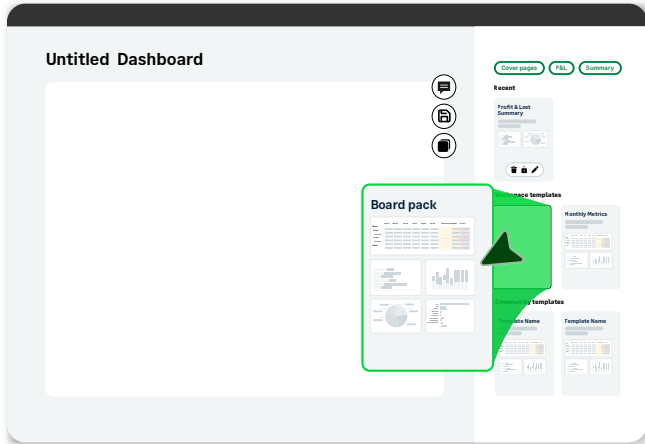
“Accountants shouldn’t be led by this,” Mr Daly says. “The software is very much designed to be driven by and controlled by the accountant. But it’s not a driverless vehicle. It’s a high-powered supercar that needs a driver behind the wheel.”

Futrli chief technology officer Doug Johnson says the platform is very much an “iceberg” of a product with incredible capability that remains easy to use.

“We intentionally avoided artificial intelligence (AI) when developing the software,” Mr Johnson explains. “What we started to see with some of the AI prediction tools on the market were wild, inaccurate forecasts.”

“Our technology is the first hybrid forecasting tool in the world, which combines direct and indirect forecasting in its automated predictions. AI doesn’t understand the cash movements behind top-level numbers. It doesn’t understand journals or split payments. AI doesn’t think like an accountant.”

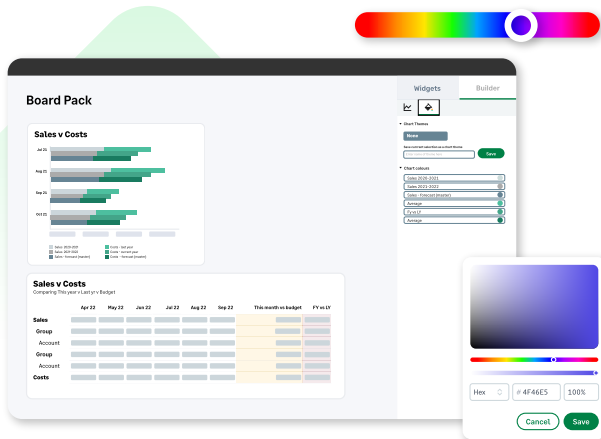
Futrli's new reporting features



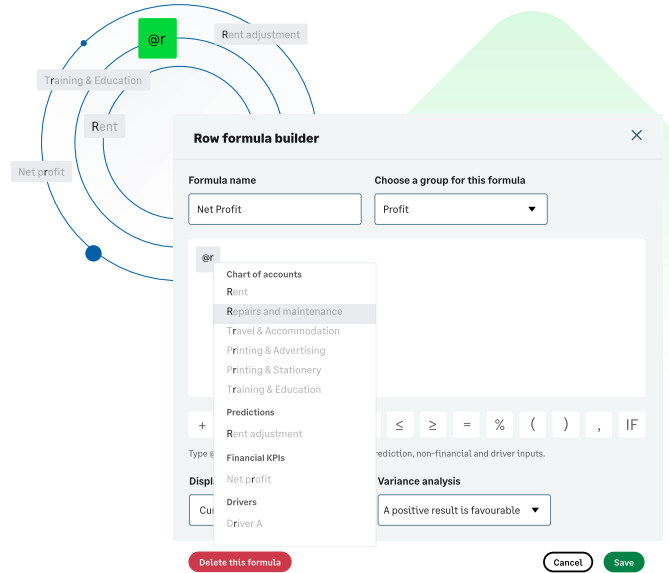
Futrli's latest feature enables accountants to gain an in-depth understanding of a business's current, past, and future performance with drag and drop reporting.

Accountants can drive strategy with reports that are simple to prepare, effortless to share, and entirely customisable. Dive into the operational guts of a business with pre-built KPI reports and use the formula builder to create bespoke KPIs using simple pivot table logic.

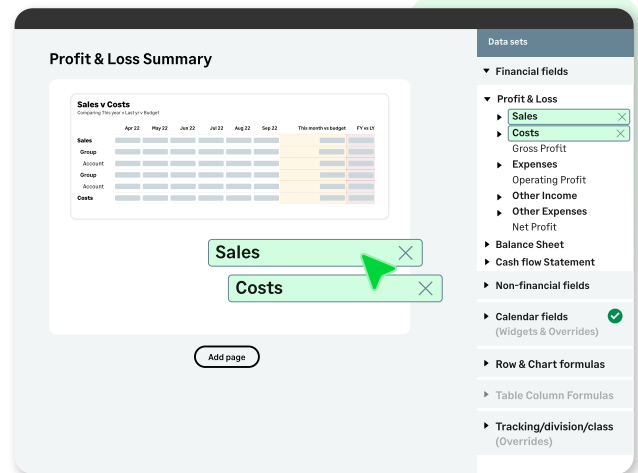
Just as Canva changed the game for graphic design, we are changing the game for business reporting. Effortlessly drag and drop templates, widgets (charts, tables, scorecards, waterfall charts), images, and text onto your canvas. Take full control of reporting themes, colour customisation, and table styling.



For accounting firms, set up your firm's theme and your clients' themes for that added dash of professionalism. This newly added flexibility enables you to save various branded templates to use for different clients and contexts.



With every data point exposed for your use, the reporting formula builder is the most powerful in the marketplace. If functionality is supported and future and historical datasets are in play, giving you the greatest insights available.



Drag and drop historical financial data sets, non-financial information, drivers and predictions into your builder's X or Y axes, row or column and range areas to create your reports.

Case study

Accounts and Legal

Find out how UK-based practice Accounts and Legal doubled its turnover in 12 months by offering advisory services powered by predictive solutions

Accounts and Legal has clients across all sectors but has two growing niches in the form of construction companies and digital marketing agencies. Many of its construction clients face significant cash flow problems trying to keep up with spiralling costs of raw materials and energy. Accounts and Legal need to communicate their clients' financials through an easy-to-understand medium to affect the greatest change.

Account and Legal director Stuart Hurst was attracted to Futrli's ability to turn numbers into graphical data that can be easily communicated.

"In moving to Futrli, Accounts and Legal were able to convey our clients' cash flow, non-financial data, and changes to their income streams," he says.

"Other software solutions don't have the dynamism and flexibility of Futrli. Futrli can be applied across [our] client base from smaller businesses through to clients with high turnovers and complex needs. Using Futrli, [we] can build simple and sophisticated scenarios — from a basic P&L to a three-way forecast."

Accounts and Legal has a client in the construction industry that manufactures and installs solar panels. The client was turning over around £500,000 and making around £200,000 in profit.

"A year later they had doubled their turnover and their profit had dropped to £150,000. Not good," Mr Hurst says.

"The owners' 35-hour weeks had become 70-hour stress fests, only to see their profits drop by 25 per cent. Something wasn't right," he continues. "They were chasing turnover, overtrading, and their margins had dropped from 50% per cent to 30 per cent. To top it off, their pricing was out of sync."

Accounts and Legal could see their client needed to work smarter, not harder.

During their in-depth forecasting and advisory work with this client, Accounts and Legal used Futrli.



First, the team processed the client's financials to get reports for trend analysis. The company's monthly gross profit had fluctuated wildly based on when debtors paid. Accounts and Legal was then able to visualise trends and smooth out variations to see what its client's trajectory actually was.

Through cash flow forecasting in Futrli, Accounts and Legal could see that debtor days were growing. The client's cash flow was no longer keeping up with operations. If this continued the business would go under.

Accounts and Legal was able to guide its client into making some difficult but necessary operational changes. With raw material and subcontractor costs going up, pricing needed to change.

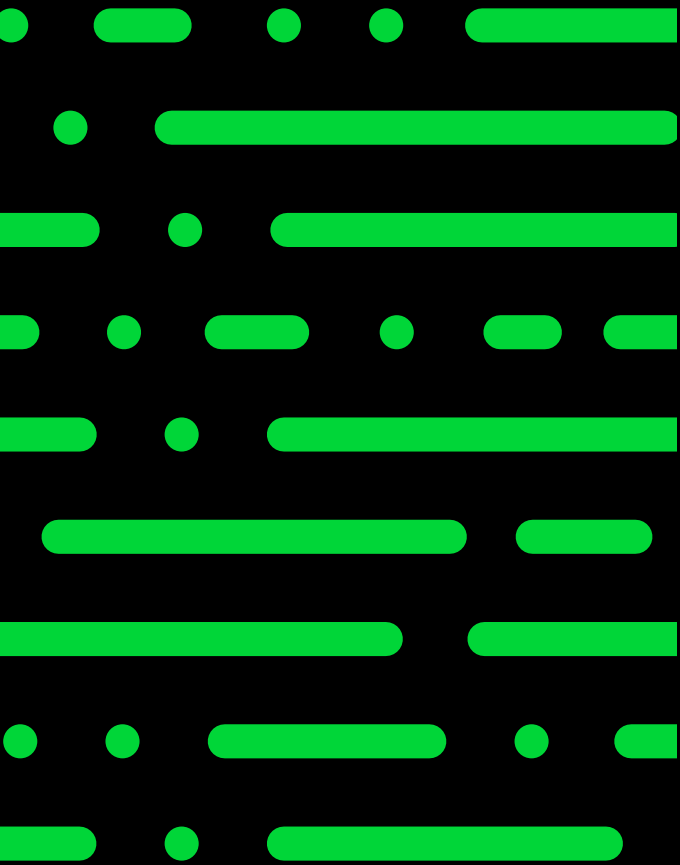
Futrli was put to use to integrate non-financial data within its client's strategies. The client was able to reassess how it followed leads — instead of approaching leads in chronological order, it could be more selective, going after the leads that afforded the greatest opportunities.

"There aren't any other tools that can be so widely used from beginner to expert," Mr Hurst says.

In just a year, Accounts and Legal has doubled its staff from 26 to 52 — 30 of whom provide advisory services. It also doubled its turnover to £2.5 million.

At the core of its success is advisory offerings. Accounts and Legal has been steadily upselling clients from compliance and moving them into management accounts.

After a quarterly free trial of these services, Accounts and Legal offers clients the opportunity to pay to continue receiving advisory services. The key to this successful strategy is that Accounts and Legal demonstrate the value of an offering before putting on a price tag. Clients feel the benefit and then decide if they want to pay.



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

[Book a 1:1 Demo](#)

[Start 14 Day Free Trial](#)