



A guide to developing Accounting Advisory Services

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Only half of small businesses survive their first five years, but with you by their sides, their odds of success double. QuickBooks is investing in ways to help you have an even stronger influence on business outcomes, which is why we are excited to introduce the **Business Performance Dashboard with new industry benchmarks** as part of your QuickBooks® Online Accountant ProAdvisor® benefits.

[Business performance](#) is available through QuickBooks Online Accountant and provides the insights you need to spark conversation with your clients and drive strategic recommendations. It analyzes your clients' data and pulls out just what you need – key figures, useful indicators, actionable items, and more – organizing it into one simple, visually driven dashboard.

With the addition of industry benchmarks, you can now bring expert-level industry insights to client advisory, enabling you to better identify areas for business improvement and set smarter goals. Using the power of aggregated, anonymized QuickBooks data, you can compare your clients' business performance to similar businesses in their industry, in the same location and with similar revenue. What's more, you can easily export the report to share with a client. Now, you can try it out in [your own firm's books](#).

This is just the beginning of our journey to leverage the power of QuickBooks to amplify your role as your clients' most trusted advisor. We hope that these innovations and this guide, written by industry-leading ProAdvisors, empower you to take the next step in accounting advisory.

A guide to developing Accounting Advisory Services

Accounting Advisory Services are services you can offer to your clients that provide crucial assistance and create value beyond traditional accounting and bookkeeping work. You may already be providing some form of advisory service to your clients and not be aware that this is a service, in and of itself.

There are many kinds of advisory services you can add to your toolbox and perform as an additional service in your existing work. This guide will address some of the most current and vital services, including Financial, Process, App, Compliance/Forensic, and Successor Advisory. We will cover tangible recommendations for implementing advisory services, as well as examples from leading professionals who are successfully advising clients in each of these areas.

Understanding these services, and knowing how to market them to your clients, allows you to gain trust and client loyalty. These services allow you to go beyond the usual accounting duties and create opportunities for you to grow your firm and, additionally, help your clients' businesses become stronger and more streamlined.

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What are accounting advisory services?

By [Liz Scott](#)

There are many correct explanations of the phrase “accounting advisory services,” which can make it difficult to understand and apply to our practices. The good news is that you are likely already providing some type of advisory, and with a few more steps, you will be on your way to creating more value for your clients and practice.

Why do clients need advisory?

The reason clients seek out advisory services is because these are often things our clients cannot perform on their own. Advisory services include value-added services our clients don’t have time to do, don’t want to do, or can’t do for themselves.

As our clients’ accountant, we have the capacity to provide tailored advice and opinions. Large advisory firms have committees, or act as a team, that have the authority to render a decision or judgment on an issue, in addition to providing opinions.

As accounting professionals, most of us have seen businesses succeed and fail. By offering our expertise and providing guidance, we can help our clients in one or more specific situations.

Laying the foundation for advisory services

Advisory services can be divided into several buckets that help define the roles each of these advisors perform for small business owners.

Small business owners are seeking our support. As their existing trusted source, it’s a natural progression to start providing council, and this is where many of us are providing “advisory” without the official title. Sharing financial information can feel like being exposed. If a small business owner does not fully understand their numbers, it makes them feel uncomfortable and vulnerable. Advisory starts by building trust and understanding. The mark of a good coach is being able to actively listen and gather as much information as possible to understand their situation and goals. From there, advice is often instinctual, and it is vital to trust your gut when giving a response.

Knowing the positive impact you can have, your role is to help your client to understand that you are the go-to source for answers and advice. Don’t let them rely on searching Google for answers. It’s scary and sad how easily they can be misled or even led away by someone else’s free advice.

Here are some tips to reinforce your role:

Offer advice. As an advisor, your words carry authority. Business owners often feel in the dark when trying to navigate their financials. One way you can help is to filter out the noise and focus on the most relevant information to their situation. From this position of authority, your clients will feel greater confidence with the information they are provided.

Coach your clients. A shortfall of the accounting profession is that we often are not providing the coaching our clients so desperately require. Small business owners find themselves paralyzed with indecision due to a lack of confidence in their financial knowledge. Frequently, business owners are unsure when to purchase assets or implement investment strategies. Integral to successful coaching is providing guidance tailored to your client's specific needs.

Give a fresh perspective. If they have the time, your clients spend their days looking at one set of books. They are often set in their ways and/or in a pattern of doing things the way they have always done them. You can bring a fresh perspective from the outside looking in. By asking leading questions and asking why they perform tasks in a particular manner, you can help your clients see things in a new light. Your job is to review existing processes and look for opportunities to apply best practices.

Provide affirmation. Set realistic expectations about the timeframe in which change will occur. Like us, clients are busy people and want to see instant results; therefore, it is critically important to stay in touch, so they don't drift back into prior behavior due to lack of immediate success. A soccer coach doesn't attend just one practice and walk away; they coach for the entire season. At the very least, seek to implement a cadence of monthly meetings, if for nothing more than to touch base with your clients. Continual communication is a crucial success factor to help them stick to the plan and stay on track.

Connect regularly. This is specifically about meeting with your client. To lay a foundation for success, business owners need to first understand their own personal requirements in order to create successful business budgets. This cannot be accomplished without frequent meetings. Therefore, we must shift our own mindsets from completing tasks to building long-term goals and plans with our clients. Quantity equals quality when it comes to meetings. Not every session will be life changing. Often, coaching is a phased-in approach over a 12- to 18-month timeframe. Improvement is realized over time, and reading financials is like reading

a story. The years' worth of bank activity tells the story of where the money came from and where it has gone. This insight allows you to decode the narrative of their financial life.



Accounting advisory services

Accounting advisory services may seem self-explanatory. However, what specifically are these advisory services? You must remember that you are a collaborative participant in your client's team, and your job is to develop strategies to help them grow their company. There are many advisory services. You can choose to specialize in one, or become capable in several and tailor each one for your client's needs. These include cash flow forecasting, revenue projections for future planning, and budgets vs. actual reviews. As a team member, your participation matters to your client.

How technology enables a platform for collaboration and advisory

We are fortunate to have modern technology in our toolbox. [QuickBooks® Online](#) allows us to have live bank feeds, a shared workspace between business owners and accountants, and real-time archival access. What this means is that we no longer work in an environment of stacks of paper manipulated and kept disconnected from our clients' day-to-day business. Combined with accountant-only features such as the [Business Performance Dashboard](#), we have the technical foundation to delve into accounting advisory.

You are uniquely positioned to help your clients succeed

As discussed above, technology plays a critical role in our profession. Apps are an ever-evolving part of the technology in our platforms. QuickBooks Online allows for seamless app integration specific to each client's needs, and there is an app to improve nearly every business process. However, your client is not an app expert and is likely unaware that technology exists that can make their business life easier.

As the one person who understands your clients' finances and processes, and the expert in relevant technology, you are uniquely positioned to modernize and transform their business. Today's accountant, particularly a [ProAdvisor®](#), is so much more than a number cruncher. I hope you see the incredible opportunity this creates to formalize your role as an advisor.

With all these tools at your fingertips, all that's left to do is to choose what kind of an advisor you are and get started.



Financial Advisory: Keeping the doors open

[By Liz Scott](#)

In my experience being on the road as a member of the Intuit® Writer/Trainer network, I have heard my peers' concerns about offering Financial Advisory Services. As a whole, accountants have a fear of failure, and in our line of work, it is in our nature to want perfection. However, it's difficult to deliver perfection in an area we do not feel fully qualified for. I have told my staff that a "B" is not a passing grade. Our grade must be an "A" at all times. Therefore, a lack of clear understanding of Financial Advisory Services makes us feel uncomfortable.

The U.S. Bureau of Labor Statistics states that some 20 percent of small businesses fail within their first year, and by the end of their fifth year, nearly 50 percent fail. After 10 years, the survival rate drops to around 35 percent. Given this information, why doesn't every business plan for success?

Success is not automatic. A small business owner (SBO) may have realized a niche with skilled employees and adequate resources to accomplish the task, so why do these same SBOs fail to create a business plan for success? What I have most often seen is that the SBO does not grasp the financial intricacies that facilitate long-term success. Most often, they, too, fear failure, have a lack of financial understanding, and are not sure where to start financial planning.

The business must act with intention and work within a plan that is not only clear, but also achievable. Change takes time. Similar to starting or beginning a new habit, once you get results, you wish you had started sooner.

SBOs often feel adrift. Advisory services are about saving the people and the business. However, no amount of desire to save the people can be accomplished without first directly addressing the financial health of the company. A structure is only as strong as its foundation. Granted, no amount of coaching, advising, or planning is a guarantee of success. It does, however, increase the likelihood the business owner will understand, and more successfully navigate, the challenges related to financial success.

What are Financial Advisory Services?

Financial Advisory Services (FAS) address the financial health of the business. CFOs and financial coaches work toward achieving this goal, but operate slightly differently.

While a CFO can be very clinical with precise methods for financial improvement, a financial coach takes into consideration the unique personality of the business owner and the fundamental character of the business itself. Both CFOs and financial coaches seek to increase the health of the business and facilitate its continued success.

Financial advisors make recommendations and motivate with enthusiasm to create goals. Start small. Accountants sometimes struggle with how to start offering FAS, but SBOs have even further confusion, due to their lack of understanding of income, profits, and cash flow statements. We don't have to have all the answers ... just the

confidence in offering guidance and insights to the story that the numbers tell. We are expected to be experts in our craft. The key is being poised in the delivery.

Most SBOs do not have a financial background, and the numbers on reports mean nothing to them. On their own, it's difficult for them to create forecasts, budgets, and cash flow plans. A paramount concern to SBOs is, "Where did all the money go?" Another primary concern they also want answered is, "How do I make more of it?" Because most SBOs have a lack of time and comprehension, the question is, should they hire a financial advisor to assist them?

To the SBOs who already have a grasp on their numbers, the accounting professional can offer an unbiased, fresh perspective by creating a team and coach relationship. This will help facilitate guidance and drive introspective thoughts that foster results. Most SBOs already employ an accountant. This accountant is expected to have financial expertise and, by extension, should have the confidence and capacity to perform Financial Advisory Services.

Expected outcome of Financial Advisory Services

First, more confidence in decision-making can be accomplished by applying your strength as an accountant to your clients' unique financial situations. By having conversations about their books, you can start with the most significant issues, then gain insights into their needs. Set a realistic timeline for improvements, including incorporating strategy and recommendations. These strategies can restore a business to financial health and provide enlightenment to the business owner, which could lead to growth if that is the desired outcome.



Forecasting, budgets, and cash flow planning

Once you have a firm grasp on revenue and profits, you can start to explore forecasts, budgets, and [cash flow planning](#). Historical numbers outline how you performed previously. The historical numbers are concrete, but planning has the possibility to create a forward-thinking road map.

Forecasts. Forecasts are financial models – living plans to be reevaluated and expanded upon before changing course. As [Spencer Johnson, M.D.](#), says, it’s “when the cheese moves.” Forecasts eliminate being adrift and surprised financially. Forecasts differ from financial statements because they help set revenue goals and manage profits.

Budgets. Budgets are a tool to manage your cash. Personal and business budgets can be made to achieve revenue goals. They also work to help you plan for lean months by evaluating where you can reduce expenses. By reviewing budgets against actuals quarterly, you can keep your finger on the pulse of the business’s health and be positioned to address issues as they arise.

Cash flow planning. Managing cash flow has become more complicated with the use of electronic funds. Previously, cash was the only way to make purchases, but

now, revenue and expenses are more difficult to manage. During months when less cash was on hand, less cash was expended. Now, it’s not so cut and dry. Expenses paid electronically can make cash flow tracking difficult, too, especially if electronic bill payments are not recorded in the bookkeeping until after they clear. Customer payments can be tricky, as well, because customers have various payment methods that can take days to clear the bank. In addition, customers can have late payments and default payments, making cash flow management difficult.

Start simple with cash flow management. Teaching SBOs to enter bills to manage payment dates allows them to plan for immediate needs, including payroll. Some businesses have more cash flow risk. SBOs with greater individual invoice values create cash flow dependencies, as do slow payment intervals. Industries, such as manufacturing plants with inventory and warehouse expenses, have more cash flow risk than service-based businesses with little overhead, such as accounting firms.

Once you realize a positive cash flow, you can begin to save for unexpected slow periods. If you need help determining a business’s cash flow risk, [Dryrun](#) has a Cash Flow Scorecard to help determine the business’s cash flow risk and the amount a business should reserve – roughly about 90 days of expenses.

Financial reporting apps

Financial reporting apps make it easy to create forecasts, financial models, budgets, and cash flow plans. Reporting apps that attach to QuickBooks® can find trends in the data, such as a business’s best customers or most substantial vendor expenses. Because most apps are cloud-based, they allow for better collaboration than Excel. Financial apps are a dynamic database full of insights, with various ways to view your data. Reporting apps assist accountants by producing deliverables that create visibility, which helps you avoid pitfalls.

Financial Advisory Q&A with Michael Ly

To understand how FAS are being performed successfully, I sat down with one of our leading professional peers, Michael Ly, CEO of [Reconciled](#), an online bookkeeping and business advisory firm based in Burlington, Vermont. His firm serves entrepreneurs all over the country, and runs as a distributed team in multiple states.

Q. How do you explain FAS to your clients?

A. Advisory services are having the expertise and breadth of a CFO that is accessible for the size and stage of their business.

Q. How do you sell FAS, and are they bundled with other monthly offerings?

A. Most SBOs know they need tax and bookkeeping. They come to us and start describing what they actually need, and start defining CFO level work. For example, they say, "I need a financial presentation to give to my investors to raise capital." When we hear those trigger words, it's our cue to start introducing CFO, coaching, or mentoring services. Services outside of bookkeeping are offered separately.

Q. What does a typical FAS engagement look like?

A. CFO services usually begins with an initial consultation with a CFO (separate from the bookkeeper) on our team, who establishes customer pain points and their ultimate goals. Then, the CFO starts providing solutions, which can be a mix of actual deliverables (such as financial forecast or investor deck) or something more consultative (such as a weekly or monthly video call to review financial performance and help make decisions).

Q. Are there essential software/apps your firm uses for delivering these financial advisory services?

A. We do use [Fathom](#) for financial reporting, which is easier to read for the customer. We use [Cashflowtool.com](#) for short-term cash flow reporting, and Excel and Google Sheets. We do video calls on [Zoom](#) and [Google Meet](#).

Q. What's your client's reaction to FAS?

A. Our customers extract amazing value out of CFO services. We are already doing bookkeeping for our clients. CFO services, coaching, and mentoring are often what they are really seeking. Because we have moved beyond transactional bookkeeping services and are offering financial consulting, this sets our practice apart, and our clients are able to make management decisions based on sound financial advice. The CFO services help to control and create the desired outcome they want to create for their business.

Q. Are there any resources you would like to share with your peers?

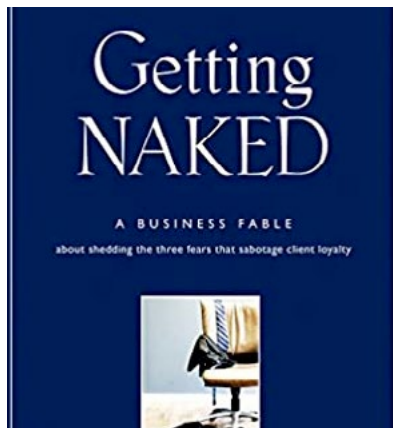
A. Yes. We have a standard list of seven routine questions we regularly ask our customers:

1. What are your short-term and long-term goals for the business?
2. Can you describe what your business looks like one year, three years, and five years from today?
3. What key metrics are you currently using to make your primary business decisions?
4. What kind of capital will you need to fund your growth plans?
5. Who is your target customer?
6. How much does it cost to produce one unit, or serve one customer, for your business?
7. What does your exit strategy look like?

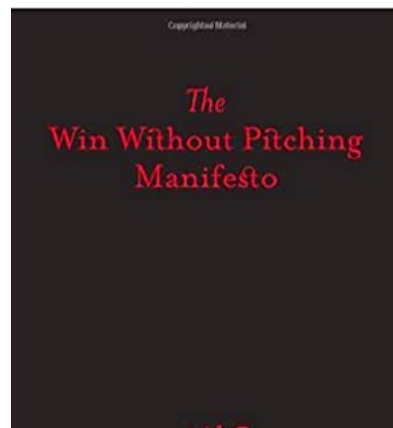
Q. What recommendation do you have for your peers?

A. As your firm grows into FAS, hire team members who understand the firm mission, and then it's paramount as the CEO to trust your team to do their job. CFO services are created with precision coaching, while mentoring is about asking the right leading questions. Price your FAS – don't give these services away.

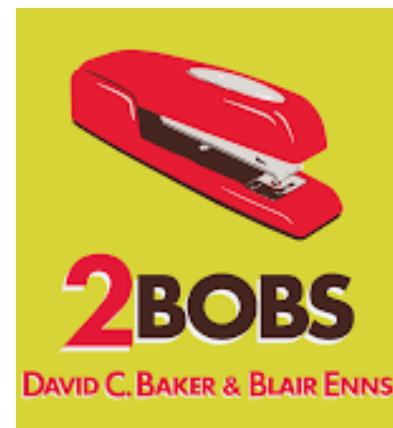
Books and podcasts Michael recommends:



[“Getting Naked: A Business Fable About Shedding The Three Fears That Sabotage Client Loyalty”](#) by Patrick Lencioni



[“Win Without Pitching Manifesto”](#) by Blair Enns



[“TwoBobs” Podcast](#) with Blair Enns and David C. Baker

Financial Advisors follow this approach to an effective workflow

A workflow that includes FAS is not much different than what we are already providing. Accounting practices are evolving; therefore, we have to pivot to include FAS in order to keep businesses current and healthy. It can be expected that the

first several meetings will lead to confusion and a lack of understanding. However, effective meetings will quickly lead to an understanding of knowledge through insight. Incorporating Michael Ly's seven standard questions with an effective workflow for performing FAS, I have created a [Financial Assessment Worksheet](#) to use as a guide, which you can also find at the end of this guide.

1. Gather business details
2. Why are they seeking Financial Advisory Services
3. Daily, weekly, and monthly bookkeeping performed
4. Financial monthly review
5. Cash flow management
6. Build and review budget
7. Financial forecasting

Each month, the workflow is repeated, and new monthly forecasts, budgets, and cash flow reports are generated. During each meeting, an action plan is created for the next month.

It is vital to communicate. One of the areas SBOs often feel let down by their accountant is help with financial understanding. A recommended read for more insights into effective workflows and cash flow forecasting is [“The Cash Flow Pandemic”](#) by Blain Bertsch.

This is an example of how an FAS engagement could look like for you

You schedule a meeting with an existing client to review the books. Because this is a current client, you already know the answers to sections one and two of the Financial Assessment Worksheet. You have been performing monthly bookkeeping services. You schedule a meeting with an existing client to review the books. Because this is a current client, you already know the answers to sections one and two of the Financial Assessment Worksheet. You have been performing monthly bookkeeping services for them for years, and often have meetings to review unresolved transactions, so you quickly work through section three.

Now, it gets fun! You open up the financial statements and start talking through them. On the other end of the phone, your client is slightly confused at the sight of the balance sheet and profit and loss (P&L) statement, but you talk them through how they relate, and what key areas you pay attention to month after month, such as open invoices, undeposited funds, past due bills, and inventory balances. You ask if it was helpful to go over the financial statements in a meeting like this, and if you should do it every month? That wraps up section four.

You can hear the wheels turning, and they ask you the inevitable question, "Looking at the net profit, I can't possibly have made that much. Where did all my money go?" It's time to talk about cash flow management. Reviewing the balance sheet, you show them how they paid old debt down last year and accrued new debt. This debt was paid down with net profits visible on their P&L. They seem interested to understand more about what you are saying, but for now, that wraps up section five.

Next, you tell them there is more you can help them with to enable them to build financial understanding. You start working through section six. The next meaningful conversation is how much money their family needs to survive each month, and how much money the business needs to bring in to support their family budget.

Lastly, you share that the next step is financial forecasting, which is all about creating goals and establishing a business plan. This is the conclusion of section seven of the worksheet.

Each month, you go through the same steps over and over, until it feels like an oiled machine, and both you and your client feel more comfortable and confident in talking through the numbers. In the beginning, you might find it's easiest to work through only section four and section five, until you are both ready to move on and conquer budgets and forecasting.

Be your clients' FAS coach

In the end, the goal is to provide guidance to make better decisions. Regardless of their size, all businesses should understand their financial numbers. As these are key indicators of health and success, whereas large corporations have an internal CFO, the small business owner relies on the outsourced accountant for FAS. And remember: FAS keeps the doors open.

A good coach creates accountability and discipline, using non-emotional, data-driven insights to develop a road map. Over time, you will gain traction to drive toward forecasts, budgets, and cash flow management. Even large profitable businesses can fail in the long term, due to a lack of understanding and monitoring of their financial health. All of this is within the wheelhouse of the modern accountant seeking to offer more Financial Advisory Services.



Process Advisory: Creating systems that work

By Liz Scott

For my fellow advisors who aren't sure where to begin offering advisory services, this is your guide. This article serves as a portion of a five-part series that outlines what advisory services are, best practices from expert advisors, and road mapping to help you become more confident. Throughout these guides, you will become more comfortable understanding the difference between the variety of advisory services.

As an advisory offering more than just transactional bookkeeping, you can give advice that opens up possibilities as a manager and business owner. The advice you provide must be clear and actionable, which creates trust.

What is Process Advisory

I laugh at the visual, but Process Advisory is all about taking out the garbage. You must eliminate the waste within a business to create a clean working system. Labor is one of the biggest leaky faucets within a business. By turning down the drip and directing the labor stream to better organized systems, companies can be more productive. The way to determine if a client has waste is to perform a client evaluation of their operations. During this assessment, you gather a variety of details for the examination.

Process Advisory is like so many other jobs, and attracts a particular type of person. Typically, people who enjoy Process Advisory are naturally creative, problem solvers, and see the necessity for order. It's easy for me to spot this type because I am one. A family phrase I love to yell across the house is, "Chaos causes confusion and delay." It never fails – my kids follow this phrase up with their astounding eye-rolling abilities.

Most entrepreneurs are visionaries with endless dreams and possibilities. Unfortunately, visionaries do not always have good follow through when it comes to implementing organizational systems. Advisors who understand that good workflow creates opportunities enjoy this kind of systemized work.

One fellow advisor who also enjoys Process Advisory is Jonathan Bello, founder of [One&solutions](#), a firm that provides QuickBooks® accounting bookkeeping services, and consulting and training on QuickBooks and related apps. Jonathan says his firm defines Process Advisory as this: "We start with a detailed assessment to gather knowledge of every aspect of the inner workings of your business. We don't just learn about the expenses and revenue; we also learn about what is on the periphery. Numbers tell us half of the story; this client assessment allows us to give you the other half of the story." Jonathan's full interview is below.

Why Process Advisory

Each time a client calls for QuickBooks help, you are performing a needs assessment. Depending on the scenario depth of the analysis, you may choose to evaluate only the QuickBooks status, or a comprehensive review of all parties and tasks within the organization. When performing a deep-dive analysis of my clients' business, the following becomes clear: Are tasks ordered correctly, is there a duplication of duties, are job descriptions clearly defined, and where are the opportunities for improvement?

In my experience, as entrepreneurs grow their business and hire additional staff, a delegation of duties becomes the norm, but are those duties assigned to the right person, and are those duties clear? Often, responsibilities are just piled on staff members instead of delegated to the right person for that task. For example, should all payroll duties reside with one party, or should there be a clear split of responsibilities for approvals throughout the management?

Most entrepreneurs are visionaries. Often, what they want to accomplish and what they establish are incongruent. This means that when you ask entrepreneurs what their current processes are and then ask their staff, you often have two very different stories. This review of existing systems or lack of systems is where many entrepreneurs fail to create functional organization. As process advisors, no matter how in depth you want to go, creating efficiency and accuracy will be accomplished.

This is valuable work. It is critical to determine your clients' wants and needs – and to recommend the best fit. Your clients may have an idea of what they want, but what they really need is up to you to discover. Your client might wish to have third-party apps, but plugging in an app without first creating a clearly defined system will only create confusion. During times of transition, businesses are looking for training of staff. Once you start to eliminate the waste within a business, you can create a road map of possibilities, which includes Financial Advisory by offering CFO services,

creating budgets, and cash flow forecasting. It is important to note that this valuable work takes time and should be value-priced accordingly.

Expected results. By performing a process analysis, more systems and procedures are established, thereby increasing efficiency. When people have clearly defined tasks, they naturally better perform job duties, and resources are better utilized.

Establishing transparent processes creates a segregation of duties and reduces the opportunity for fraud. Written job descriptions are a type of process improvement. By creating written roles, jobs can be delegated to the correct person for the task. Written descriptions also allow cross-training for employee vacations, sick leave, terminations, and new hires. Business owners often unintentionally throttle a business by creating bottlenecks. When owners have properly trained staff, they can act as an entrepreneur, creating vision and direction for the business. Process analysis also brings to light unexpected truths, which can be good and bad.

Where the magic happens

Companies are made up of the people and the tasks. They must be in alignment to function efficiently. At each phase, you must understand what the people need to accomplish and how the task needs to be performed to create efficiency.

How is this accomplished? There are several methods that allow you to focus on the details, evaluate the current process, and identify areas for improvement. Creating a process map or value stream mapping can be a time-consuming endeavor. However, this is a benchmarking tool for success. Start with understanding what the core mission of the business is. What do the people do to support the mission?

Sticky notes. I like to start with this high-tech tool ... no, really! Performing a sticky note exercise to map out the existing processes is an easy way to depict process flow visually. An excellent book that gives some examples about how best to define each person's core duties is "[Clockwork](#)" by Mike Michalowicz.

Start by gathering the people and have each one explain their primary tasks. Next, create a list of 10 items they must do if the business wants to survive. How much of their daily, weekly, and monthly job do these tasks require? After you have spoken to each team member, compile the results and examine if they are on mission. This is also when you determine whether each step is a value add to the task or a waste of resources. With this, you can evaluate if a process is duplicative, or perhaps creating a constraint in another area.

Process Advisory Q&A with Jonathan Bello

Q. Does your firm offer process advisory services as a bundle with other services, or is it a stand alone offering?

A. For new clients, we always perform a client assessment of their processes to get an understanding of how it operates. Then, we can make suggestions for improvements related to QuickBooks, including facilitating apps.

Q. Do you charge for your client assessment?

A. Yes, we have a flat fee assessment, which includes the recommendations. The evaluation does not include other services, such as training or implementations of apps. That is a separate engagement.

Q. How do you explain your assessment to your clients?

A. I explain that the assessment will uncover the bottlenecks and places mistakes are made, and often I have a solution to fix them.

Q. How do you discover their current processes? Do you require all team members to be active in sharing their job descriptions?

A. I have a series of questions. There is an attached comprehensive worksheet Jonathan and I have created and shared.

Q. Since you are mostly doing QuickBooks Process Advisory, how do you set client expectations/timeline for transformation?

A. We relay that it takes time to understand their current processes. After we gather all the details, we create the following:

- Recap of notes
 - o Process improvement items
 - o Items to fix (QuickBooks transactions)
- Timeline with agenda and assignments
 - o Attacking both the processes and items
 - o After processes and issues are fixed, we suggest apps that can be introduced

Process Advisors follow this approach to an effective workflow

1. Gather business details
2. Gather employee details
3. Understand why are they now seeking help
4. Understand the people and the tasks (sticky note exercise)
5. Evaluate the current accounting system and processes
6. Deliver assessment
7. Train employees

Having an example always helps to paint a picture.

Here is an example of what a Process Advisory engagement could look like for you.

A client calls asking for help with a QuickBooks mess (you grab the Onboarding Assessment Interview Worksheet). He's not sure what the problem is, but QuickBooks is not accurate and he needs help determining why. You go through the first three sections of the worksheet, asking about the version of QuickBooks, number of employees, type of business, and revenue streams. He is willing to pay you for an evaluation.

First, you meet with the five-office staff and find out three are long-term employees. They asked for help because they are overwhelmed. They know QuickBooks numbers are not up-to-date because they do not have time to perform their duties, but are unsure how to split their positions to accommodate the new staff. The two new staff feel in the way and unsure of their role. You ask them to list out their 10 top job duties on sticky notes, and the amount of time spent on each task. If necessary, you might have them create detailed notes about the steps involved in each of the 10 tasks. You have now completed the fourth section of the worksheet.

Next, you gain access into the QuickBooks file and evaluate the current status and areas for improvement, using the fifth area of the worksheet to keep notes.

Once the evaluation is complete, part of the deliverable would be to list their current processes and then an improved procedure map, using a tool such as SmartDraw, with recommendations for the people and the task. Your recommendation might include one new employee entering payables and the second new employee entering inventory. The senior staff is divided into invoicing and approving payables, while an office manager oversees bank reconciliations. This would conclude the sixth section of the worksheet. Your recommendation for the improved process, including

training, would incorporate a timeline and expectations, which is the final phase of the worksheet. You might even suggest implementing integrations.

Find an example of a document to assess a QuickBooks client's needs, created by Liz Scott and Jonathan Bello, at the [end of this guide](#).

Additional resources

There are a variety of Process Advisory services that can be explored vertically or horizontally, as you desire, in this market. In my experience with e-commerce clients, they often need help with all aspects of their business, which means I have had to learn about online marketing and sales channels, which include web stores. Because of the time spent learning this industry and my enjoyment dealing with it, I have defined my industry. Other Process Advisors have chosen construction, real estate, manufacturing, or another option. Some might suggest Process Advisory belongs within every engagement. Each time you onboard a client, you are assessing their needs, even if it's just for a cleanup or ongoing monthly agreement. In order to create a mutually beneficial contract, both parties must have clarity.

These are some of the tools I have found useful along my journey. Sticky notes are a great way to start gathering details. SmartDraw allows me to post the sticky note details in a professional format, which is also a deliverable to the client. A new third-party app on the market is VerifyIQ, which evaluates the condition of your current QuickBooks Online bookkeeping and makes suggestions. Visit [Apps.com](#) to check them out. Another app Jonathan Bello and [Matthew Fulton](#) recommend is Process Street for workflow management. Here is a [link](#) to the [Process Street](#) resource Matthew created and graciously agreed to share.

["The Speed of Trust"](#) by Stephen Covey is another excellent book for building organizational trust. I have learned to smell lousy office behavior. If the people working within the environment dislike or distrust each other, bad behaviors are hard to correct. Even with the best workflow and systems in place, an office with mistrust will fail. This is a good book for helping businesses experiencing this reality.

Getting paid. Well.

This is not easy work. It is time consuming, tedious, and often long overdue. When establishing value pricing, variables to consider are plentiful. Be mindful of the depth of your evaluation. Are you simply evaluating their QuickBooks alone, or are you running a full process map of your client's business? The following should be considered when pricing:

- Number of tasks evaluated
- Number of people evaluated
- Number of years evaluated
- Number of transactions
- Expected deliverables
- Written job descriptions
- Written job processes
- Video tutorials
- Ongoing training
- Ongoing support
- Ongoing engagement
- Length of assessment

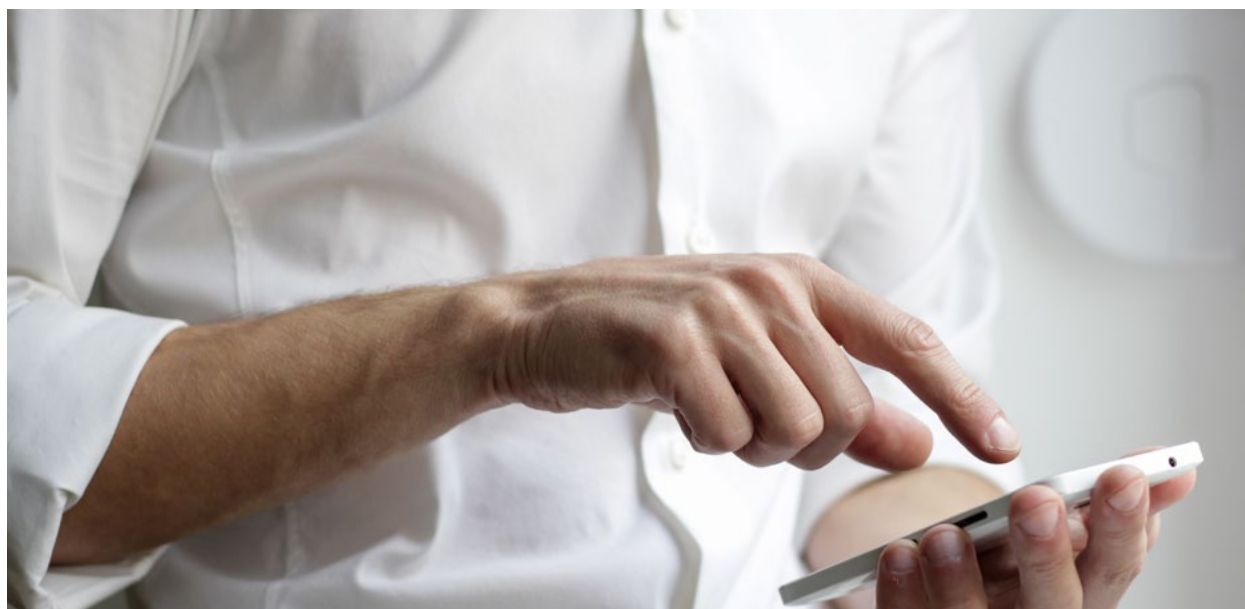
Don't forget change is difficult. You need change management soft skills to keep dialogues open with management and employees. People can get overwhelmed with change, but if you create trust by listening to their concerns and sharing with them the greater vision, you create buy in. Understanding some of the reactions to change is emotional, and people need time to adjust. One phrase I often say is, "Nobody wants to wake up in a whole new world." The good news for you is this gives you time, which is a resource you need during implementation and training. The lesson is don't rush.

Process Advisory is often long overdue

Personally, I enjoy assessing the health of the business. It gives me a greater understanding of who I am working with and their business mission. By eliminating the waste, their most precious resource – labor – can be better used to create a streamlined system. It's exciting when I identify areas of opportunity. This is always a win and builds confidence with my clients.

Even by using Process Advisory to create an outline for the training session, you will build trust with your clients because they will know you understand their workflow and have control over the engagement. Process Advisory is the first step into app consulting. You must first understand the business operations in order to make recommendations for automation. This critical step is often overlooked, which is why many app engagements go wrong.

Process Advisory is an add-on and, for some, a career. Therefore, you should not give these services away or undervalue them. This is value-added work for your client. Often, an assessment has needed to be performed, but put off because of its difficult time-consuming nature. If you are like me and love solving puzzles, you can do this work and be well rewarded.



Apps Advisory: Introducing automation with intelligence

[By Liz Scott](#)

In the previous articles, we explored Financial Advisory and Process Advisory. Process Advisory directly leads to App Advisory because Process Advisory creates structure and organized systems, reducing labor waste and confusion. The introduction of technology via apps builds on organization and efficiency, creating possibilities of automation and simplification of established processes.

What is Apps Advisory?

It's perhaps the best way to claim ownership over your business.

Control and distinction. In the beginning, every phone appears the same "out of the box." You start playing with your phone, adding customizations, setting up note builders, calendar integration, emailing, social, and games. Before long, you have claimed complete ownership. Your phone is always tethered to you, and you would never dream of leaving home without it. Your apps are what has made the phone yours, and it is no longer "out of the box." You could never swap phones with another person. You probably even snarl when people touch it because that's how important it is. You need your programs that are distinct to you. It's practically your best friend!

To start, every QuickBooks® file appears the same "out of the box" at setup. Just like your phone, as you incorporate your data and apps, such as a calendar, scheduling, time tracking, bill pay, and reporting, there is no way you could operate without QuickBooks.

But, wait, there's more. There's a QuickBooks app for mobile! Many of the new business apps that have artificial intelligence and machine learning abilities integrate with QuickBooks and mobile devices. Some of the latest solutions perform tasks similar to our household Alexa. Being able to grow with this new technology means that as an advisor, we can offer the most options to our business clients.

App Advisory is all about improving workflow by leveraging technology and cultivating growth in systems that were previously marginal.

As an app advisor, the good news is that you don't have to know all the apps. Instead, as an app consultant, your role is to advise and spark interest in emerging technology, not dictate which app they must choose. Understanding this distinction means you can comfortably perform your job, knowing you are opening the door to possibilities and educating businesses to scenarios they previously didn't have time to tackle or know where to begin.

By creating a collaborative environment, you can work to create a tech-savvy company with better workflows and streamlined systems. Businesses are interested in artificial intelligence, and they are tech-focused and willing to take this leap without you. But, with your guidance, these companies overcome challenges and navigate the benefits of creating a controlled, automated system.

Challenges to anticipate are cleaning up segregated systems, exploring the app ecosystem, creating an app implementation plan, and maintaining accounting integrity to ensure apps are appropriately mapped.

Now, let's hear from another app advisor, Will Farnell, who is making tremendous breakthroughs in the way we think and deliver App Advisory Services in the United Kingdom. In 2019, Will co-founded App Advisory Plus to support accountants and bookkeepers offering profitable [App Advisory Services](#). Will's full interview is below.

Why Apps Advisory?

Do you remember when you had to choose your adventure books? They were perhaps some of my favorite books, and probably the only reason I read as a young child. The story beginning was always the same. There was a basic plot, and you were the hero and narrator. At each pivotal moment throughout the entire book, you had to make vital determining decisions as to which path to choose next, and the rest of the story would be impacted based on this decision. It was essential to think out what the ramifications of each choice would be, and determine what to do next. Sometimes, the outcome of your decision resulted in your favorite character's death, but you could always go back and choose a different path ... and all was rosy again.

Apps Advisory is just like choosing your adventure books in real life! Accountants are best situated to recognize opportunities to automate cumbersome processes. For example, if a small business has been processing payroll "the old way," we know there are apps that will reduce human errors and help employees receive funds faster.

As app advisors, we are the guide, directing them through the discovery, selection,

and implementation of the apps. With more than 700 apps available, choosing which one becomes muddy. If you have followed the workflow in the Process Advisory Onboarding Assessment/Interview Worksheet at the end of this guide, you have identified your client's current procedures and made recommendations. Using the knowledge, you have discovered that you can now help them find technology that will fit their newly improved processes. Every app has a built-in detailed flow of operations, and it is imperative that the apps being evaluated match and complement the business's workflow.

Expected results

As an accountant who provides App Advisory Services, our number one role during an app engagement is to protect the integrity of the accounting system. This makes us the gatekeepers of all technology that will connect to the accounting platform. Our mission is to create streamlined operations with working integrations, and build app stacks for a tech-savvy business. During our engagement, we will teach them how to use the newly designed tech stacks, constructing the ideal workflow.



**Discovery
engagement**

Do you love puzzles? I did as a child, and still do. For me, this is where the fun begins, and we can start building a discovery engagement.

Break down the engagement like a puzzle. If you think about your childhood memories at the kitchen table, you first opened the puzzle box, dumped it out, and started sorting the border pieces, like colors, and then pieced them together. It took time. It was FUN. The results were rewarding.

Consider the business you are building as a picture puzzle. Start with the puzzle border: What does the business do? This is followed by defining a section, a department, or a task, and then working through each area and creating an entire picture, piece by piece, adding all the necessary details to complete the puzzle picture.

The place to begin is to identify inefficiencies an app can solve. Start by defining the objective they wish to accomplish. Again, if you have used the Process Advisory Onboarding Assessment/Interview Worksheet at the end of this guide, you will already understand their existing scenario. If not, you can do that now. To confirm and clarify understanding, you can use tools, such as sticky notes and [SmartDraw](#), to map out their current workflow and review it together with your client.

Important information you will need from your clients include their must-haves, nice-to-haves, and current pain points an app can solve. Other considerations are who is affected and will be using the app (i.e., field service workers and office staff), plus what transactions are being affected (i.e., income and expense). A useful question to ask your client is what the workarounds have been to date. In this step, communication is vital because it can help to paint a picture if they have unique complications.

Remember, you are completing their picture puzzle. Advisory is all about the people and the task. This is the time to be as transparent as possible to avoid information gaps. Spend as much time as necessary, discovering how the business functions and how the people perform their duties. This way, when you're app shopping, you find something that will complement their environment.

App exploration

Is there an app for that? That's what you get to discover. A couple of places to start are research forums with friends, exploring what's available on your QuickBooks Online Accountant Apps tab, and asking apps for demos. I love expanding my app knowledge and sharing my experience with others. One free resource is The ['AppY Hour](#), a fun webinar series. The 'AppY Hour brings accountants and developers together to share innovation, in order to improve efficiency and create automation for business.

We all have our favorite apps, but is it OK if your favorite go-to app does not work in every situation? With so many apps to choose from, you can search [Apps.com](#) by category to discover more app possibilities. Reading reviews about support and user experience is beneficial when looking for solutions. What you are looking for is two or three apps that fit within the perimeter of the client's requirements.

Now, it's time to grade. Once you have found a few apps, you can start filling in the [App Exploration Worksheet](#). This worksheet was created by [Heather Satterley](#) as a resource used to visually compare apps during the selection process. This worksheet is useful in helping you grade the apps. Remember, no app is perfect, but the goal is to identify which app is the best fit. This app worksheet will help you identify must-haves, nice-to-haves, cost of apps, interface, ease of use, support, implementation, time, difficulty, and resources needed. The worksheet has a ranking system for which you can assign values, allowing you to objectively evaluate up to three apps at a time. Another question you might need to add to the worksheet is whether the app needs to integrate with other systems.

Client app selection. Anytime I am performing an app engagement for a complex scenario, I want my client to be part of the process. The term "consultant" literally means you consult with your clients about the best decision. We are not app dictators. This is excellent news because it releases you from assuming all the risk.

Once you have ranked the apps via the App Exploration Worksheet, trust the results. Next, it's time to share the results with your client. The worksheet creates a visual

indication of whether the must-haves are addressed, the nice-to-haves are included, and any extra features are taken into consideration. When together, you can decide which demos would be necessary for your final selection. This phase is significant. By reviewing the App Exploration Worksheet results together, you can determine which demos are necessary. Fostering app ownership with your client is essential later on for app implementation.

Define your role

Once the app is selected, is your role complete, or will you be staying on to help with implementation, support, and even ongoing management? Many apps have an implementation team and offer training, but your responsibility may continue. For example, your task may include preparing the organization for change, or perhaps developing an implementation plan with phases and a timeline. As an accountant, are you staying on the project during implementation to maintain accounting integrity in mapping, and should you? One step I recommend before any implementation is creating a backup of the accounting file. Another step is to test the app to ensure it will work for your situation. If you can copy the data file to a new QuickBooks Online location, this creates the best testing environment for your scenario.

App stacking

Another app scenario is building a tech stack. App stacking is any time two or more apps are used to perform a task. An example of a business app stack is using [Receipt Bank](#) for expenses, and [LivePlan](#) for business planning and forecasting.

App connectors are another tool app advisors use as glue to connect two or more apps. App connectors can be used to import or export specific data, creating synergy between systems when there previously was none. An example of where an app connector would be used is an e-commerce business needing to import their point of sales activity into their accounting system. A2X is one such example. They work to import Shopify daily sales summaries into QuickBooks Online, with payment methods that match bank feeds, making bookkeeping easier to manage.

Apps Advisory Q&A with Will Farnell

Q. How does your firm define Apps integration advisory services?

A. For us, we look at every client and try to understand what they do and how they do it. Are there weaknesses in the process, and could technology help? This, for us, is step one to delivering App Advisory. Too often, firms focus on the integration before they establish a need, and end up researching a solution for a problem that is not defined.

Q. Does your firm offer Apps Advisory Services as a bundle with other monthly offerings?

A. No, I think it is essential to work on a case-by-case basis. What works for one client won't work for another. It is imperative we build a process for App Advisory Services to ensure we are delivering the right solution for the right client. Once a client is up and running with an app, we may include support fees in a monthly bundle.

Q. How do you explain Apps Advisory Services to your clients?

A. As with any areas of advisory services, it is essential to have relationships with clients. You need to know what they do and what they are trying to achieve to understand how you can be helpful. For me, in an accounting or bookkeeping firm, it all starts with the daily bookkeeping. This means that you are regularly talking to clients and getting to understand their pain points. This opens up the opportunity to discuss advisory services, one of which might be app related.

Q. How do you set client expectations/timeline for transformation for Apps Advisory Services?

A. It is so important to provide clarity. Scoping is critical, and a robust proposal of what is in and what is out is crucial to the success of any app project. Once the project is up and running, a regular dialogue is key to managing expectations around scope, cost, and time.

Q. How do you provide Apps Advisory Services to your clients? What does a typical engagement look like?

A. It varies from case to case, but all follow a process of:

- Fact-finding – your lead generation tool
- Process mapping – understanding the client process and requirement
- App research and evaluation – discovering and documenting apps that may fit the requirement, testing, and evaluating
- Implementation – planning, testing, training, and using the apps
- App support – support clients who use of the app

Q. Where should someone start if they want to offer Apps Advisory Services?

A. At [App Advisory Plus](#), our help desk will provide access to knowledgeable staff who spend every day talking to accounting firms and app vendors, giving them unparalleled insight into the app ecosystem and best practices for delivering App Advisory Services. We use this knowledge and insight to build educational content and app information, presented via our independent App Directory and online knowledge base. Our online community lets you post questions and discuss challenges or successes with your peers.

Apps advisors follow this approach to an effective workflow

[App Exploration Worksheet](#)

1. Use the Onboarding Assessment/Interview Worksheet at the end of this guide to gather business details
2. Verify business operation processes
3. Research apps and perform demos
4. Use the Apps Evaluation Worksheet to identify needs, wants, and extras
5. Meet with client to explore the results of the Apps Evaluation Worksheet
6. Do demos together to make the final selection and create ownership
7. Determine your role
8. Create an implementation plan and timeline
9. Perform ongoing management

Here is an example of what an App Advisory engagement could look like for you.

While talking to an existing client, you tell them you noticed their accounts receivable is very high and aging out past 60 days. They are aware of the issue and want to talk it through with you. You then grab the Onboarding Assessment/Interview Worksheet at the end of this guide.

The business is a residential plumbing company with seven employees. Six of the employees are service plumbers. Because this is a business you know well, you already have section one filled out from a previous meeting, which is all about the business structure and ownership. You already know most of section two, which covers employee details, but you want to make sure nothing has changed. Moving to section three of the worksheet, you ask how are they collecting customer payment for their residential plumbing services. The owner explains they are writing paper tickets in the field and giving a carbon copy to the office manager, who later invoices the customer. Because the office manager is busy, invoices can take two weeks to be created and mailed.

Now, you understand! If the plumbing is fixed, customers are no longer concerned, and they have moved on from the problem. It's not until a week or two later that they are reminded they even had a situation, when the paper invoice comes in the mail. The customer is annoyed because now they must pay for past services, and they are further frustrated because they are out of checks! You ask to have the owner and the employees confirm your suspicion, and you work through section four of the worksheet. You already know what's happening in the bookkeeping so you can move past section five. You understand section six the road map of possibilities, which will include training later if the client agrees, concluding the onboarding assessment/ interview worksheet.

This is your moment! Now, you can verify you understand their problem. Confirm what you have learned. Service workers go out and perform duties, and two weeks later, invoices are mailed and slow, or no payments come in. Now, you can suggest a field service app, where they can take the payment out in the field during the customer call. This not only assures customer payment, but it's also fast and creates a positive customer experience. You tell your client all the other benefits of field service apps, such as scheduling, capturing job images, texting customers you're en route, GPS location, and time tracking. Your client agrees that this sounds wonderful, and engages with you to research solutions to fit their needs.

Using the Apps Evaluation Worksheet, you get to work finding apps. You talk to friends, ask for demos, read reviews, and update the worksheet as you go along. After researching, you are ready to share your results with the client. During the meeting, you show the client the worksheet, and they agree which solution scored the highest [Jobbers](#). Then, ask them to do a demo with you both.

The solution. During the demo, the client asks lots of questions to the vendor and you about how this app will fit their business. They are thrilled with the possibilities, and decide to use the solution. Now, you need to determine your role. Will you stay on the project, or is your job done? If you are to remain on the project, then create a timeline with phases mapped out to confirm the expectations of both parties.

I advise if the app has an onboarding team to take advantage of that because they have seen and know how to work through a lot of situations. However, I like to stay on the project to advise how my client performs specific tasks, so that the solution integrates appropriately with their existing or newly adopted workflow. Another area I strongly recommend you oversee is the mapping of the data.

Here is a link to the resource created by Heather Satterley:

[App Exploration Worksheet.](#)

Decide what you want to get paid, and what your involvement looks like

Just like all areas of Accounting Advisory Services, this is valuable work. Advisory Services is a separate engagement from everyday bookkeeping and accounting services.

Performing Apps Advisory Services, you must consider that the job you are providing can include app discovery, implementation, and management. These are three separate engagement opportunities. The level of involvement you choose dictates the value pricing you bill to your clients.

Often, while I am training my accounting and bookkeeping peers at conferences and events, they share their concerns about pricing app engagements. This is an area I have complete empathy with because I have walked in these same shoes. What I can advise is to start by pricing an engagement with enough flexibility to spend enough time on unexpected situations.

One engagement app that is offering guidance is [Practice Ignition](#). Practice Ignition has created pre-built templates for client engagements. One template you can use as a guide to determine pricing is their Addon Template that's designed for a simple app integration. Although this is for very light app engagements, Practice Ignition provides a baseline for pricing an integration. The template suggests a 30-minute

meeting of goals, integration setup, and a two-hour training for a baseline rate of 400.00. Obviously, you can adjust this to fit your fee schedule and level of difficulty that's unique to your situational involvement. Still, the template is an excellent way to ensure everyone is on the same page of expectations of results and required resources.

Apps Advisory is something every business needs

It is clear apps are part of doing business in the modern world. App innovation, creation, and modification is the norm. Most business owners do not have the time or desire to become app experts. Instead, they just need a solution that works. The need for Apps Advisory Services is in demand and expanding. The truth is that an app toolbox is an integral part of the modern accountant. Apps are a progression to the tech-savvy business owner.

The task of finding apps, evaluating apps, and managing ongoing app engagements is part of the service accountants should naturally be providing. App Advisory Services are part of the modern accountants' role. These services help businesses be relevant in their fields by becoming faster, leaner, and more agile. Becoming fluent in Apps Advisory Services not only helps your client, but also gives you an additional stream of revenue as an accountant.

As the apps incorporate more artificial intelligence and machine learning, our job becomes helping businesses create tech stacks with access to comprehensive data and trends, which previously would have taken days to find. The results that this type of tech can give us are astounding. It also means businesses have faster access to data unfolding options, allowing them to pivot when necessary – creating a stable full of dexterity and a mastermind business.



Compliance/Forensic Advisory: Protecting you and your clients

[By Heather Satterley, CPA](#)

As an accounting professional, you provide lots of advice and guidance to your clients to help them stay on the up-and-up with their legal, financial, and other business obligations, as well as protect them from fraud. I bet many of you never stopped to consider that you are offering valuable advisory services when you give clients advice, and should be treating these conversations and interactions as such!

This article is part of a five-part series that's devoted to advisory services, created to help you learn the why, the how, and best practices in order to become more confident when delivering these services in your practice.

We'll now dig into **compliance and forensic advisory services**, focusing on how to get started, opportunities to grow and scale your firm, and hear from industry experts who have built out these types of services in their own firms. To find out how they incorporate compliance advisory services into their practices, and what advice they could offer to their peers looking to do the same, I spoke with [Dawn W. Brolin](#), CPA, CFE (Certified Fraud Examiner), and CEO of [Powerful Accounting Inc.](#) in Windham, Connecticut. Dawn specializes in fraud detection, forensic services, and tax preparation and resolution services. I also interviewed Jan Haugo, owner and founder of [Jan Haugo & Associates](#) in Scottsdale, Arizona, a full-service bookkeeping firm that helps businesses all over the country stay compliant and on track.



Laying the foundation for advisory services

Compliance advisory is the practice of providing guidance to your clients to keep them protected from fraud, and on the right side of the law. Accountants and bookkeepers, by definition, are compliance professionals who focus on establishing and maintaining accurate financial records that can be relied upon by the owners and other stakeholders of a business. Whether you give it a fancy name, you are likely already providing some form of compliance advisory services to your clients. Each time you answer a simple question about sales tax or how to deal with an employee, you are providing compliance advice to your client.

Forensic accounting is the use of a specific set of skills and processes to analyze financial information to uncover information that can be used in legal proceedings. It is primarily used when fraud is suspected to prove and substantiate the scope of the fraud.

Compliance advisory services focus on the prevention and remediation of fraud, while forensic services focus on the discovery of who, what, why, and how internal controls were broken down or circumvented to commit fraud.

According to Dawn, "Being in compliance is the hallmark of a responsible business owner. Compliance isn't just making sure you are current with filing and paying taxes, but having that confirmation that your data is accurate and can be relied upon."

What do compliance services look like?

Preparing an income tax return, filing sales tax, running payroll, or even reconciling a bank account are all compliance activities. Processes have been defined to ensure that federal, state, and local laws are followed, and accuracy and transparency exist in the company's financial reports. Your job, as an accounting professional, is to stay apprised of changes and events that affect the reliability and compliance of your client's records and reports.

When asked how she defined compliance advisory services, Jan Haugo defines it as bookkeeping, and includes it as part of the other services she offers. Many bookkeepers provide compliance advisory during the regular course of delivering their services. Compliance bookkeeping includes answering quick questions about how a transaction should be categorized, or how long they should retain transactional records.

Completing a clean-up engagement is, itself, a compliance activity because the client is asking you to organize the financial records in accordance with accounting

standards and practices. In some cases, the advisory is inherently included with the services you provide, while in other cases, it could (and should) be offered as a separate service.

In other situations, a separate engagement for advisory services is warranted. Dawn says that clean-up engagements often lead to additional opportunities for advisory engagements, such as internal control assessments or a full-on forensic examination. She makes the analogy of remodeling a house: “As you start to take the walls down, you inevitably uncover issues that need to be addressed to ensure the stability and strength of the foundation the house is built on.”

Types of compliance and forensic services

There is a vast range of compliance advisory services needed by most organizations that you are likely already providing to your clients. The key for growing accounting and bookkeeping firms is to identify and monetize advisory opportunities that are beyond the scope of your regular service engagements, and offer them as add-on services with their own specific engagement and terms.

Let’s explore some services you may already provide, but are considered advisory services.

Help with business registration/deregistration. All new businesses are required to register with the federal government, and the states and towns they operate in. You likely provide guidance on the types of forms that need to be filed, and may even help complete them.

Be careful to avoid inadvertently offering legal advice or services to your client. Helping a client complete a business registration form may be appropriate, but helping a client complete their articles of organization, or other legal organizational documents, is considered the unauthorized practice of law. According to [Mark Theoharis](#), an attorney and writer, “While license requirements differ slightly from state to state, all states make it illegal to engage in the practice of law without first obtaining a license. Anyone engaged in the practice of law without a license

commits a criminal act.” A best practice is to find an attorney you can partner with to help provide your clients with legal advice and services.

Accounting system setup. Making recommendations and setting up your clients’ accounting system is another form of advisory service. Selecting the correct chart of accounts, designing workflows, and creating internal control procedures are valuable services that should be priced appropriately. If you retain a new bookkeeping client, consider offering [QuickBooks®](#) setup as a separate service, and charge appropriately for it.

Audit support and tax representation. Helping clients who receive letters from the IRS, or state and local taxing authorities, is another advisory service you can provide. However, you must be authorized to represent clients before the IRS and state taxing authorities. Representation allows you to correspond and negotiate with the taxing authorities on the client’s behalf. Audits can be related to income tax, sales tax, payroll taxes, and even property taxes, in some cases.

Workers’ compensation/other insurance audit reporting. Workers’ compensation insurance policies are priced based on the expected payroll for the policy period. At the end of the policy, an audit is done to “true-up” the policy price based on the actual payroll amounts for the policy period. If a client does not submit the audit report, the insurance company can lock in the quoted rate, and clients can end up leaving money on the table.

Assistance with loans. Many clients need help organizing documents and other information to apply for various loans. They also may need guidance on the best credit card products, merchant service providers, or loan products.

Specialty compliance services require deep knowledge and specialized skill sets because they are subject to specific rules and regulations. Examples of specialty compliance services include the following:

Federal defense contracting accounting audit support. Contractors who provide services to certain U.S. government agencies are subject to the [Federal Acquisition Regulation \(FAR\)](#). These regulations, set forth by the Office of Regulation Management and enforced by the Defense Contractor Management Agency (DCMA), are quite extensive. Contractors are subject to mandatory audits of their accounting system processes, as well as an annual audit of their financial records for each year they receive contracts. Setting up a FAR compliant accounting system can be tricky, so providing guidance to small businesses subject to these rules is a valuable and lucrative service offering.

Internal control assessments. As a business grows and hires staff, internal controls become an essential need to protect against fraud. You can provide internal control assessments to help clients uncover inadequacies, and create processes and procedures to protect firm interests. An [internal control checklist](#) is a great example to help get you started!

Subject matter expert or expert witness. As your breadth of knowledge and experience grows, opportunities to become a subject matter expert or expert witness in legal proceedings can provide you with a lucrative new revenue stream for your firm. Not to mention, it can be super exciting and fulfilling work. Specializing in a particular discipline is a great way to set you and your practice apart, as well as earn higher fees for your services!

Where to start

How can you get started on your path to providing compliance and advisory services? Jan suggests doing an internal firm assessment to analyze your firm's existing core competencies, and make a list of areas where you feel you and your team stand out.

You can also find training classes and certifications that will build your knowledge and expertise. The AIPB offers training and a [certified bookkeeper designation](#), while the

AICPA offers training programs on a wide variety of compliance topics. Intuit® also offers training programs through the [QuickBooks ProAdvisor®](#) program and the [Intuit Accountants Training center](#).

If you're interested in exploring compliance and forensic work, Dawn suggests partnering with an accounting professional who is already established in your desired area of expertise. She says, "Bookkeepers are the ones on the front line! [Consider working] with a CPA - teams are best." Not only will you get your feet wet actually doing the work, but it's also fantastic to build your network and gain referrals.

If you're all in and looking to become a fraud expert, the [AICPA](#) offers several certificate programs and [certification in financial forensics](#) for CPAs. The [ACFE \(Association of Certified Fraud Examiners\)](#) offers training and administers the CFE exam, which is open to non-CPAs with a bachelor's degree or equivalent experience.

While anyone can prepare tax returns for clients, you must be authorized to represent clients before the IRS and state taxing authorities. CPAs and attorneys are allowed to represent clients under audit as part of their licensing. Non-CPAs can become licensed by the IRS to represent clients by becoming an [enrolled agent](#). An enrolled agent must complete an application, background check, and pass a two-day tax-only exam to become certified. They must also meet ongoing continuing education requirements and renew their license every three years.

Best practices and advice from the experts

I had the pleasure of sitting down with Dawn Brolin and Jan Haugo to hear about their experiences and advice for ProAdvisors looking to explore compliance and forensic advisory services. Read on to learn more about how these services are offered and implemented in real life!

Q: Does your firm offer compliance advisory services as a bundle with other monthly offerings?

Jan Haugo: Yes, we offer sales and payroll tax compliance advisory services, along with additional advisory services for larger clients. The services are scoped out in our initial onboarding of the client, and then priced and bundled with our monthly fees.

Dawn Brolin: We don't. All compliance advisory services are billed project-based or hourly, depending on the situation. If a need is uncovered during a regular monthly engagement, we will recommend services based on those findings.

Q: How do you explain compliance advisory services to your clients?

JH: Compliance advisory comes in many forms, and would include tax/regulatory advice, loan advisory compliance, and institutional needs, such as personal asset statements.

DB: We explain to our clients that compliance isn't just making sure that you are compliant with filing tax returns, or compliant with paying your payroll taxes. That is important in the endgame, but having that confirmation that your data is accurate is what keeps you compliant. You have to make sure you're not fraudulently recording an expense, or fraudulently understating your income in order to suppress the tax burden. Often, I'll reference an existing case that I've seen to illustrate the importance of staying compliant. We also explain that we want internal controls in place and compliance when clients are thinking about succession planning. No company wants to buy a disorganized wreck! Without any internal controls or proper procedures, the value of the company goes down.

Q. How do you set client expectations/timeline for transformation for compliance advisory services?

JH: We provide a highlight and overview of potential compliance pitfalls. We work with the client to show the ability to meet those deadlines and the overarching impact on their business.

DB: We compile a list of areas that need to be addressed, and then sit down with

the client and say, "Let's look at the highest risk area of the items that I've identified. Anything immediate to high risk should be fixed in 30 days or less. The timeline goals are always based on the risk level to the organization. We also discuss the budget and quantify the results.

Q. How do you provide compliance advisory services to your clients? What does a typical engagement look like?

JH: A review of current compliance and workflow will highlight a lot of opportunities.

DB: I look at the high level first, then dig into the details.

Q. How do you promote compliance advisory services? How do you target your clients?

JH: Having a meeting to talk about the review of the books and the client needs offers the opportunity to question and deep dive into these potential areas of compliance.

DB: All of my clients are referrals. Fraud and resolution cases come in from colleagues from conferences and webinars. Most engagements are big ones!

Q. What have you learned throughout your experience and want to share with others?

JH: This can be a complicated regulation web, but manageable, and it's important to get an understanding of it. Compliance advisory is more than filling out forms; it's also knowing what information is required and when, as well as maintaining relationships in order to keep up with rules and regulations.

DB: It's not hard to get started. Pick a client and use them as your test client. Go through their books and find out if they have documented their processes. If you want to take it a step further, subscribe to [Eric Green's program on Tax Representation](#). Also, know that you don't have to be a CPA to become a CFE. Join the ACFE to learn more and start the training processes.



Successor Advisory: Start with a beginner's mindset

By [Mariette Martinez, EA](#)

We are nearing the end of our Accountant Advisory Services series, and have covered some in-depth opportunities to build out your practice with advisory service offerings that can grow your business and best serve your clients' unique needs.

What's even more exciting about these offerings is that you can choose one, or even all, of these as areas to expand your business. Reason being is that depending on which you are most passionate about, one option may be more of an add-on to your existing service offerings, while another, such as Successor Advisory, could be a complete stand-alone niche on its own. In this article, we will go deep into the world of Successor Advisory; however, we recommend you go back and review the full article series to see all the exciting opportunities in their entirety.

One area that is less commonly on the forefront of starting and/or restructuring your accounting firm is succession planning. As a business owner with more than 20 years

under my belt, I am also guilty of not having this on the top of my list, and I do not believe I am alone in this misconception.

That is why we were thrilled and incredibly honored to have had the great opportunity to interview one of the most recognized business and accounting consultants in the profession, [Allan Koltin](#), CPA, CGMA, and CEO of Koltin Consulting Group. For the 20th consecutive year, Allan has been named by Accounting Today as one of the Top 100 Most Influential People in the Accounting Profession, and in 2020, was ranked as the [third most influential](#). This is just one of the many accolades that has been bestowed on Allan, who has impacted our profession for decades. He generously provided the Intuit® accountant community with his insights on succession planning. I will be weaving his powerful advice throughout this article, so we can learn firsthand from a Successor Advisory expert.

Let's break down this topic of succession planning from a beginner's mindset, since the strongest insights I received from our interview with Allan focused on:



The When



The What



The Why

Let's also take the perspective that we can use these insights not only as a guidance to teach our clients about this topic, but also more importantly to prepare our own firms for this very important and inevitable situation we will face in our practices.



When should succession planning start?

Let's begin with a conversation that really hit home from this interview about how we should be thinking about our businesses from the very beginning: **the when**. Allan broke this concept down simply and clearly for us when he shared the following business insights.

"There are two kinds of firm models out there. One where everything clears through you, and the client relationships and business are all on your shoulders. You may have some additional help, but it's mainly to do the administrative/compliance work that you know that you are better off not doing. **The second model is the one where succession planning starts the day you bring the first client in, which is really a growth-oriented firm.** The goal is to go out there, bring your client in, and then hire loyal (culturally aligned) talent that can grow from back-office technically skilled to becoming frontline providers of handling client relationships. We call that the Leverage-Staffing Model; this is how you build a firm."

Before I could even ask the question, Allan had just answered the number one interview question that I wanted answered for our community: **When should we start thinking about succession planning?** His answer was crystal clear: **Start the day you bring the first client in.**

It now also made perfect sense why I had not considered succession planning as a strategic priority for my firm in all these years. Over the past decade, I had been building my solo-operated business as Model Number One all along. From obtaining new clients to servicing the entire client load myself, I was doing it all alone. As renowned author Michael E. Gerber, in "[The E-Myth Revisited](#)" would call it, I was in a state of an "Entrepreneurial Seizure," playing all three business roles: entrepreneur, manager, and technician.

In addition, I had been too busy working in my business to make time to learn and expose myself to the growth mindset and succession opportunities of Model Number Two, where succession planning starts the day you bring the first client in. As our clients come in, we build out our growth-oriented, equipped team and business processes to become our frontline for handling client relationships, while we continue to focus on the bigger vision and ultimate end in mind goals for our entrepreneurial journey, one important goal being our succession plan.

In my case, it took me almost a decade in entrepreneurship to learn this important lesson. A fellow financial professional and colleague began to ask me the deep questions about my succession plan that, at the time, I had no answers for. However, this newfound awareness drove me to take this area of my business much more seriously.

How does this translate to advising your clients?

Can you relate to this situation of being stuck in the "doing it all" business model and not being able to focus on critical business areas, such as succession planning, for your firm? Is this an area that your clients have asked you about and/or are struggling with?

If your answers were yes to either of these questions, then you have just discovered a critical need to assist yourself and your clients with this end in mind clarity, and this may just be your opening to begin providing Successor Advisory services in your practice.

What is succession planning?

Before we get into the next expert insight from this interview, let's take a quick step back and define The What.

As defined in a recent [Investopedia article by Will Kenton](#), "Succession planning is a strategy for passing on leadership roles, often the ownership of a company, to an employee or group of employees. Also known as replacement planning, it ensures that businesses continue to run smoothly after a company's most important people move on to new opportunities, retire, or pass away. Succession planning can also cultivate a new generation of leaders, thereby providing an exit strategy for business owners who want to sell their stake."

To sum it up, succession planning is the integral business strategy that ensures your company has planned and prepared for the future. This end in mind mentality can help keep your mission, goals, and company culture aligned with your long-term vision for your company, how you will build your team, and, most importantly, what your plan is to "unlock this asset" you have built through entrepreneurship.



Why does Successor Advisory matter?

This brings us back to our powerful conversation with Allan when I asked him about **the why**: Why did he feel that building a business off the Leverage-Staffing Model, a.k.a. Model Number Two, will provide a stronger succession plan for his consulting clients? Here's how Allan broke this down for us.

"There's nothing wrong with not doing that, but if you don't do that, at some point you can only work so many hours, and you can only push your rate so much. You then can only realize so much. What happens is that you stall out! Now, some will say to me, 'I know, but I am making a great living and, even with a lot of pressure, I'm OK with it.' My only comment to them is, 'You won't have a sustainable firm and, someday, you will have created an asset, and what will be your plan to unlock that asset?'"

There was the answer, in the simplest form, as to why succession planning is so important for our firms and for our clients that we serve. We, as business owners, have chosen the path of entrepreneurship and sweat equity to build an asset for our financial future. And, just as important as it is to build a sustainable business that provides us profit and builds our net worth, we need to have a defined strategic plan on how to "unlock this asset" when we are ready to move on to the next chapter of our lives, or when that chapter comes sooner than expected. **Those three profound words, "unlock this asset," have completely changed my mindset on how I want**

to continue building my business model. Even after a decade as a business owner, I am open to taking on a beginner's mindset, so I can learn more about succession planning and build clearer, actionable steps within my firm to "unlock my asset" when the time comes.

Four actionable strategies to implement Successor Advisory

We have trickled Successor Advisory advice throughout this article, but let's wrap up with **four actionable strategies** you can implement today to not only build up this specialized skill set within your practice, but if you choose to do so, also begin providing Successor Advisory services to your clients.

#1: Start with a beginner's mindset. We learned that the best time to start succession planning is "the day you bring the first client in." I think it's safe to say that the second best time is today. If we start with a beginner's mindset, we can take the expert insights from this article, as well as the ones you will learn in your own succession planning journey, and take a step back from our business today to evaluate how we can rebuild our own business models to be more closely structured as Model Number Two.

We can also apply these actionable learnings to assess our current clients' situations and begin to share these learnings with our client community. Consider sharing your passion for succession planning at your next client consultation through online communication (i.e., blogs and newsletters), or how about inviting your top 10 clients to a private in-house workshop, where you can go deep into this Successor Advisory topic in a more intimate workshop experience. Are you not sure which client to start with? No worries. I have the best first client for you ... that's YOU!

#2: Start the conversation by asking the BIG question to your most loyal clients. It has been said many times over that the most loyal, revenue-generating clients are those that know, like, and trust you. They are also the clients that value your work, seek your professional advice, and are willing to pay for your additional expertise when you bring it to the table. Make a list of who those clients are in your business, and start the Successor Advisory conversation by asking them the BIG question, "What is your plan to unlock your asset?"

#3: Learn common succession planning strategies. There are several common succession planning strategies you can begin to start learning today that you can either apply to your own practice, or begin to implement as Successor Advisory services for your clients. Let's mention a few below:

- **Cross-purchase buy-sell agreement:** Each partner purchases a life insurance policy that names the other partner as the beneficiary and allows the surviving partner to continue business operations.
- **Cross-training employee roles:** The opportunity to shadow fellow employees to build multiple skill sets, identify future leadership roles, and/or develop a stronger management team, based on employee's strengths and performance.
- **Targeted recruitment:** Targeted hiring and development of leadership to prepare for executive-level positioning and/or possible employee buyout opportunities.

#4: Start the conversation by asking the BIG question to your most loyal clients. It has been said many times over that the most loyal, revenue-generating clients are those that know, like, and trust you. They are also the clients that value your work, seek your professional advice, and are willing to pay for your additional expertise when you bring it to the table. Make a list of who those clients are in your business, and start the Successor Advisory conversation by asking them the BIG question, "What is your plan to unlock your asset?"

#5: Accelerate your growth by self-educating from the best of the best. We have powerful leaders and influencers in the Successor Advisory space, like Allan, who have provided these services for decades to thousands of businesses, and they have made their advice accessible to our community in several ways.

Not only can you learn from their expertise through social media, publications, blogs, and their live speaking events, but, today, many of these leaders also host their own professional conferences and powerful master classes. In these more intimate experiences, you will learn expert insights that will help you build out these services for your practice, such as how to monetize this specialized work in your firm and how to help your clients to understand the explicit value of the advice you are providing. I like to call this “cutting a check to go faster!”

Let’s end this article with Allan’s final message to our Intuit Accountant community.



“If you really want to ensure succession, know who you are [as a company] and have a strategy to create young [hungry talent] that you can teach about your client base, how to serve your client base, how to grow your client base, and maybe, in the end, they will be able to buy you out. Or, at least when you merge the practice [in the case of an emergency], there are other people that can carry out the day for you.”

Onboarding Assessment / Interview Worksheet

[Download onboarding Assessment / Interview Worksheet](#)

1. Business Details	Listening
Who called boss/paying	
Business name	
Business phone	
Business age	
Business industry	
Number of employees	
Business structure	
Current tax status	
Number of employees	
Employee roles	
Accounting solutions used (which version)	
Current 3rd-party apps	

2. What are they seeking?	Listening
Why did they call looking for help?	
Are they in a crisis?	
What are your short-term and long-term goals for the business?	
Describe what your business looks like one year, three years, and five years from today	
What key metrics are you currently using to make your primary business decisions?	
What kind of capital will you need to fund your growth plans?	
Evaluate their current Balance Sheet and Profit and Loss	

Evaluate revenue streams	
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3. Monthly book - keeping and accounting	Deliverables
Daily, weekly, and monthly bookkeeping performed	
Accountants review the bookkeeping and find questions such as unresolved transactions	
Monthly meeting to resolve questions and review reports	
Reports and bookkeeping are updated	

4. Financial monthly review	Deliverables
Create and review financial statements	
Create talking points (inventory to high, aging A/R)	
What are there areas of concern this month?	
An action plan is created for next month	
New monthly forecasts, budgets, cash flow reports are generated	

5. Building budgets	Deliverables
Create a personal budget	
Create a business budget	
Compare budget vs. actual	

6. Cash flow management	Deliverables
Review customer payments	
Should they accept electronic payments?	
Are they entering bills to manage cash flow?	
How much debt do they have?	
Is refinancing an option?	
Do they have cash for 90 days of expenses?	
How many late or partial payments do they have?	

7. Financial forecasting	Deliverables
Road map possibilities	
Additional revenue streams	
Where else could improvements be made?	
Who is your target customer?	
What does your exit strategy look like?	



A guide to developing Accounting Advisory Services