



Designing the Best

# ADVISORY ENGAGEMENT PRACTICE

Help your clients be future ready

[www.Pathquest.com](http://www.Pathquest.com)





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# Designing the Best Advisory Engagement Practice

Even though accounting processes and data can be used to produce valuable business insights, many accountants struggle to capitalize on this opportunity. However, accounting advisory services can be one of the most valuable assets a business has in its arsenal. The key is to get the right accounting business intelligence software, demonstrate the value of your services, and use it to build a powerful, mutually beneficial relationship with your clients. This white paper is designed to help accountants build a personalized advisory service for their clients' businesses.





# Be Unique and Specific

Attracting and keeping clients requires careful branding. Like other services, you need to ensure you stand out in a sea of providers and promises. To make sure your accounting advisory services have a unique, memorable brand, you need to highlight differentiating factors that make your value-add unique by providing add-on services and additional value on top of traditional accounting services.





# Differentiating Factors of Your Services

When many people think of the term “accountant,” they may imagine an expert numbers-cruncher who keeps the books balanced and taxes filed on time. This in itself has value, as attested to by the success of thousands of accountants. But to stand out from the crowd, you need to do more.

Because there’s so much data available for accountants and the businesses they serve to leverage, providing accounting advisory services needs to involve collecting, analyzing, and applying as much relevant data as you have available.

## **Provide Specific Inputs and Help Build Strategies for Your Clients**

Armed with data, you can pinpoint ways clients can improve their spending, reduce overhead, better capitalize on investment opportunities, and more.

### **Focus on Advising Business Owners**

Instead of merely keeping and cleaning your clients’ books, your bread and butter should involve advising business owners as to how to increase profits and the overall value of their company.

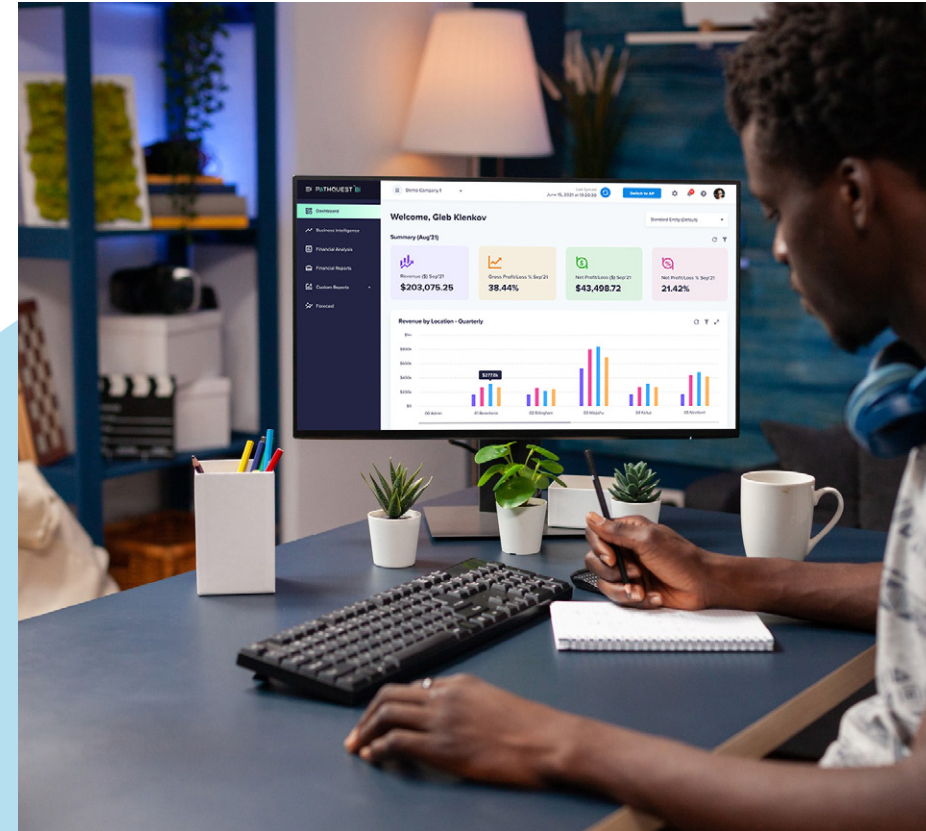




For example, with accounting data analytics software, you can isolate the ways in which a company may be over-investing in human resources and under-investing in technology. Data analytics software can be used to collect payment information and compare it to revenue figures. If, via an accounting dashboard, the software reveals there's an inverse relationship between how much the company invests in its employees and revenue growth, you can flag that as an issue. You can then:

- Use concrete data to explain the problem
- Pinpoint specific employees, teams, or departments that may be underperforming
- Suggest ways in which the company can address the issue, such as by automating repetitive tasks or identifying software solutions that can be used to run a leaner, more efficient operation

In this way, armed with info from an accounting dashboard, you can help a CFO, owner, human resources executive, or others discover business-altering decision-making insights, differentiating your services from those of a “normal” accountant.



What are some ways you can market these kinds of advanced accounting advisory services? One method is to promote your advisory role as a premium add-on service.



# Promote Your Advisory Services as a Premium, Add-On Offering

If you use accounting business intelligence software to show business owners and managers how to add tangible value, you will be giving them something other accountants cannot. To capitalize on the unique nature of your offering, you can promote your advisory services as a premium, add-on offering. To do this, it may be helpful to:

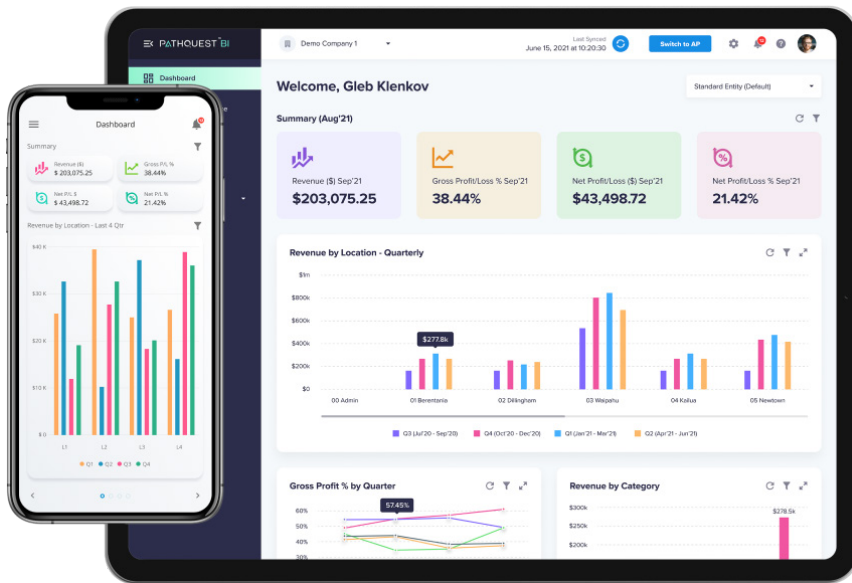
- Make a clear distinction between your regular accounting services and those that involve providing business advice
- Clearly outline the kinds of advice you can provide, as well as areas that would be better handled by someone else
- Be transparent about any accounting business intelligence software you use, particularly because it will drive home the fact that what you offer is data-driven and supported by solid technology







# Attract New Clients and Gain Their Trust with the PathQuest BI Tool



With the PathQuest Business Intelligence (BI) tool, you can earn the trust and confidence of new and existing clients. With PathQuest BI, you have access to:

- Financial performance analytics
- A consolidated accounting dashboard for all your clients

- Visual presentation of business performance
- Automated monthly reports and custom packages
- Resources to create smart KPIs

PathQuest gives you these capabilities with cloud financial analytics specialized software. Because it's a cloud solution, it's easy for you to scale up or down as needed, adding instances for new team members if you have to.

Using PathQuest's suite of tools, you have access to the analytics, business improvement opportunities, sustainability scores, and financial health checks you need to design, build, and support the best possible strategies for your clients.





# Client Relationship

A business relationship, like others, depends on reliable, trustworthy communication and input. As an account advisor, your goal is to obtain the tools you need to earn the confidence and reliance of your clients. In addition to technological tools, you can also put relationship-strengthening habits into practice, such as:

- Holding regular meetings, either online or in-person, with your clients
- Ensuring you touch base with not just your primary contact but other stakeholders as well to ensure they're updated
- Frequently check in with clients regarding their level of satisfaction with your services



# Be Specific and Maintain a Business Focus

One of the best ways to strengthen your relationships with clients is to consistently focus on their needs and provide specific, actionable advice. This may require a slight shift in focus. Instead of keeping track of the books, you will be digging for ways to boost your client's business. To hone in on supporting your client's business, you can:

- Constantly be on the lookout for ways they can save money
- Try to pinpoint excess spending across their entire financial ecosystem
- Look for redundant systems and processes that could be eliminated
- Think of ways they can monetize services, skills, or assets they already offer or have







When you have an idea, be specific when presenting it to your client. Feel free to highlight more than just the high-level benefits, but get in to the nitty-gritty of the hows and whys that make it a great idea. For example, you can specify:

- 01** The problem your solution addresses
- 02** The cost savings or revenue generation your idea can produce
- 03** The conditions under which these savings or increases can be maximized, as well as situations that could limit their potential benefits. These could include economic, environmental, or other factors
- 04** How your ideas could be tweaked to gain even more benefit
- 05** Any necessary implementation steps that need to be taken to roll out an idea
- 06** The costs associated—whether up-front or down the road—with rolling out your solution
- 07** Come up with alternate plans—A, B, and C—so your client can choose which one best fits their needs

Providing this specific information is easier, neater, and faster with the right software, such as the PathQuest BI tool. In addition to surfacing insights that can be used to craft strategies, PathQuest simplifies the presentation process with an accessible user interface. Value added services will always bring benefits to the relationship, your client's business, and the credibility of your advisory.



# The Ideal Approach to an Advisory Opportunity

Approaching an advisory opportunity is best done by taking the following three steps:

- 01 Understand the pain points
- 02 Design the purpose
- 03 Realize the payoff



## Understand the Pain

Showing clients you fully understand the pain of their situation lets them know they have an ally, someone who can sympathize—or even empathize—with their situation. For example:

- If you've seen or experienced similar business struggles, feel free to share what you've been through.
- Be sure to listen carefully, reiterating what your client says when it's time to respond.

These communication techniques can help put them at ease, knowing they have someone who feels the gravity of their situation.





As an example, suppose you have a client that runs a construction business, ABC Construction, and they're feeling the financial pressure due to an economic downturn impacting their target market. Specifically, new construction for commercial retail buildings is way down because customers aren't doing as much shopping as they were when the economy was stronger. Previously, retail commercial space made up the bulk of ABC Construction's revenue. They have most of the resources they need to pivot elsewhere, but they're not sure if they have the agility in their budget.

- **Business challenges**—reduction in revenue from retail commercial projects
- **Financial challenges**—potential lack of funds needed to transition into other kinds of projects

- **Goals**—diversify their offering by adding X% of different kinds of construction within two quarters
- **Roadmap and expectations**—steps they are considering taking to add different kinds of projects to their portfolio, as well as the types of projects they expect to land
- **Priorities**—the elements of their business model and philosophy they want to maintain

Once you have a full understanding of the pain points your client is dealing with, you can move on to designing the purpose.





## Design the Purpose

After getting a clear picture of the business's situation, you can start developing a holistic and objective-oriented set of action plans.

To do this, you need to take a series of steps.

Focus on the Basic and Significant Elements of the Business

These may include

- **Growth objectives**
- **Visibility**
- **Exercising better control over systems**
- **Improvements that can be made**

In the hypothetical case of ABC Construction, some of the significant elements of the business may include:

- Growth objectives, such as expanding their range of services to include residential commercial construction, renovations, or civil projects
- Visibility into the inner workings of their financial and operational systems. In this way, you can pinpoint inefficiencies and growth opportunities, such as underutilized machinery, overpaid workers, or an undersized sales staff
- Exercising better control over systems may involve ensuring that you assign work based on the need of individual jobs and that individual teams have tangible goals that are assessed on a weekly—or even daily—basis
- Improvements that could be made may include adding a more diverse range of jobs that ABC Construction provides quotes for or running a leaner operation with existing projects. Regardless of the improvements you suggest, you can use PathQuest BI to demonstrate their wisdom





## Define Your Standards and Assess the Situation

You can then define your key performance indicators (KPIs) and perform a SWOT analysis, which identifies strengths, weaknesses, opportunities, and threats that face the business—particularly in relation to what they're aiming to accomplish.

For ABC Construction, KPIs may include:

- The number of new kinds of projects for which they submit proposals over the course of a quarter
- The projects they secure, which can be a specific percentage of the ones they quoted
- Percentage reductions in the overhead costs of existing jobs
- Increases in productivity on existing projects





## Analyze, Track and Enhance with PathQuest BI

Using PathQuest BI, you can put several features to work for your client. First of all, understand how it works – here is a visual representation of an ideal workflow of a business intelligence software.



### Some of the features you can use include:

- Customized dashboards—Revenue, Cashflow, Gross Profit, Net Profit, and Cost of Goods Sold (COGS). These can be adjusted according to location or entity
- Consolidated financial analysis and reports
- Custom dimensional report and insights
- Sustainability index, entity or franchise ranking
- Group and entity reporting
- Improvement opportunities and interpretations
- Custom report packages and automated monthly reporting
- Mobility





With these features, you can present a complete, holistic solution to your client. The key is to back up all your claims, plans, and action steps with data. This may be presented in a variety of ways, but clear reports, charts, and graphs may have the most productive impact. Often, people pay more attention to what they can see than what they hear. You can leverage this tendency by appealing to the eyes of your clients.

It's often best to provide documentation before you hold a meeting. In this way, they have time to think about what you're going to discuss and you can save time answering questions. The quicker you get to the meat and action steps of your plan, the better.

Using this kind of clear communication, you also show respect for the time and schedule of your client. When they set aside an hour to listen to your suggestions, you can honor that by using PathQuest's presentation tools to make your plans clear and concise.

For example, using a dashboard, you can show a client their revenues alongside their cost of goods sold (COGS). In some cases, the data will speak for itself, highlighting discrepancies between the two. For instance, if COGS has gone up while revenue has remained relatively flat, it's clear you can help them realize profit improvements by reducing overhead. You can then dig deeper to discover how this can be done, which costs have gotten out of control, and perhaps some areas where you need to invest more to realize better returns.

For instance, suppose a side-by-side comparison of ABC Construction's revenue and COGS reveals a disproportionate rise in COGS alongside lackluster revenue figures. While they may assume their lack of profitability is due to a decrease in the number of commercial retail construction projects, this wouldn't account for the increase in COGS.

While you may not want to derail their ideas completely, you can pinpoint ways to reduce COGS so the projects they currently have can generate higher net returns. You can then create a plan to use these same principles in the execution of future plans for business improvement. Grounding your analysis with PathQuest BI's tools transforms them from conceptual ideas to tangible action steps.



## Realize Payoff

Realizing the payoff from your solution involves making sure your client is experiencing benefits—using visible ROI—from your advisory services. There are several ways to make improvements tangible for clients. Some of these include:

- Examining your forecasting vs. actual performance vs. past performance before your advisory services, emphasizing the differences to highlight your value-add
- Analyzing outcome and progress. This involves asking what has worked and what has not
- Performing a financial and non-financial growth check
- Exploring new opportunities and tactics
- Updating the overall financial status of the business
- Providing your client with a set of PathQuest® BI access credentials. The real-time visibility they achieve can add value. You can also charge more for this, making it a premium, value-added service.







## Next Plan of Action

You can then begin establishing a plan of action for the next time period, such as a quarter or season. This can involve:

- Summarizing how things went during the execution of your action plans
- Discussing, debating, agreeing, and prioritizing before moving forward
- Re-iterating the intended plans, actions, and outcome, which underscores the value of your services in the mind of your client





# Transform Your Services with PathQuest BI

PathQuest BI provides you with a comprehensive set of tools that you can use to evolve from someone who keeps the books to a business advisor that adds tangible value for your clients. With a suite of business analysis resources at your disposal, you can both support your advisory services with data and allow data to reveal organic solutions. To learn more about how PathQuest BI can transform your accounting practice into an advisory firm, connect with PathQuest today.

# About Pathquest

PathQuest® is an Automated Accounting Solution ecosystem designed with a vision to Simplify & Automate your Accounting Practice. In the current situation, businesses and their board members need real-time visibility on financial performance to address crucial business challenges. Find out how the PathQuest ecosystem helps you gain these insights and overcome your challenges.

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