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# TAXATION

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## Just a thought...



22 May 2018

### Accountants and tax practitioners to become business advisers.

The increasing influence of technology is changing the shape and structure of companies and the way that wealth is generated. Becoming an entrepreneur is easier than ever and new businesses, no longer confined by geographical boundaries, have unlimited potential for growth if they get their business models, products and markets right.

A corollary to this is the changing demands and challenges to which these businesses are exposed and the advice they require to negotiate hurdles on the way to success. Historically, accountants have been among the most traditional professional advisers, working around a framework of laws and regulations to compile company accounts or assess tax liabilities. The accepted profile is one of a specialist, limited to aggregating and assessing figures rather than providing strategic advice to a client.

### Changing role

That view is changing rapidly, and the most forward-thinking accountants are pouring significant resources into rebranding themselves as strategic advisers and business consultants, as opposed to simply offering account preparation or auditing services.

Two words are used consistently by accountants within our network when discussing this issue: proactivity and dynamism. Many now offer an interim CFO (chief financial officer) service to their clients, taking a central strategic role in the client's business and working directly with the owner or CEO on growth plans.

John Curzon, founding partner at CCK Strategies in Oklahoma, US, says: 'New clients we work with are not used to being asked the questions we ask. The better the reputation we get for this type of work the more exposure we receive, since the entrepreneurs we work with want close collaboration to help them break into new markets, expand their business or identify new technology that might impact them.'

This view of clients needing closer collaboration with specialist advisers is endorsed by Florian Diener, managing partner at Diener Advisory in Baar, Switzerland. He says his clients value help with accountancy-related problems such as productivity calculations or analysis of pricing information.

'The questions my clients ask are very market-related. I must get out of the role of passive accountant and work through the client company's strategy, talking to different departments and supporting the CEO's decisions with figures and data.'

### A strategic view

It may be tempting to conclude that this collaboration phenomenon applies only to smaller firms without the in-house expertise to deal with strategy themselves, but multinationals are also struggling to deal with the shifting demands of a globalised economy. Large firms may have greater resources, but typically those in-house accountants are more focused on running the day-to-day business and are not in strategic roles.

John Curzon adds: 'Even companies with dedicated strategic accountants have limited access to developments in the wider economy and the rest of the world. We are able to partner with them and our network colleagues to provide information about changes in important areas such as foreign tax law.'


The advice to larger clients often extends to training their existing staff to become more strategic and proactive. Florian Diener describes it as a state of constant learning: 'I field questions as wide-ranging as how to digitalise financial records or how block chain technology will affect a client's business. I need to remain plugged in as new developments arrive, constantly reading or talking to specialists while developing an understanding for my clients from an accounting perspective.'

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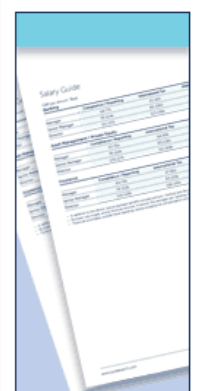
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New technology is a good example of where accountants can add strategic value. The fields of block chain or cryptocurrency are awash with new concepts, strange language and potential opportunities. A good accountant should assess this against a framework of value, using their skill with numbers to understand the opportunity properly in terms of how revenue comes through the door and what types of expenses there are. This creates a bottom line and a net profit to the business and can be used to work out the ultimate value for the owners or shareholders.

As John Curzon is keen to emphasise: 'No matter what industry we are talking about, we always need to come back to value for the owner.'

## Conclusion

Accountants and tax advisers who remain in a comfort zone, relying on trusted revenue generation in the form of accounts preparation and compliance, are likely to struggle to survive. Those who see the bigger picture and proactively offer relevant advisory and consultancy services should thrive.

**Ross Nicholls** is director at IR Global, a multi-disciplinary professional services network. The group's founding philosophy is based on bringing the best of the advisory community into a sharing economy; a system which is ethical, sustainable and provides significant added value to the client. He can be contacted by email at: [Ross@irglobal.com](mailto:Ross@irglobal.com).

