all in•place®

THE HUMAN TOUCH IN ACCOUNTING:

Building strong client relationships and financial futures.

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Foreword:

WILL FARNELL

Accountancy Firm founder, Keynote Speaker, Author and Mentor

How well do you know your clients? I don't mean the KYC and AML to meet your regulatory requirements, I mean how well do you really get to know your clients?

The questions we ask can have a huge impact on how we can help them - both in terms of their business and how the business supports them and their families.

This type of relationship comes from taking the time to understand their life goals, ambitions and objectives. As a profession the ever increasing role of technology and AI means that our long term viability lies in our ability to deliver real human empathy, compassion and insight into the relationships with our clients. We are on the verge of The Human Firm evolution.

What we do as accountants and bookkeepers is not "just" doing accounts and taxes, it is the deeper outcomes we deliver. This could be helping our clients sleep at night, helping them create a prosperous retirement, or having more time with their family today.

We can only ever help deliver these if we have the clarity of knowing what it is they really want, and having the data so we can direct and guide.

This research by All in Place shows that there's a long way to go in building these deep relationships, but this presents a big opportunity for firms to create a competitive advantage and build services that create long term value for everyone.

UNMET CLIENT NEEDS:

The gap in financial planning for business owners

UK accounting firms face challenges in delivering comprehensive and effective financial planning to their business owner clients, but at the heart of this is not having simple mechanisms in place to sit closely and understand their key drivers and motivations.

As professionals the business numbers are safe territory and linked to direct fee generating services, but what could be missing is the ability to increase fee income and client satisfaction by understanding more about the people behind the business.

Despite heightened client expectations, business owners and their families could be left without insightful and actionable information and guidance.

At the recent Accountex 2024 conference in London, accountants were surveyed on how confident and how effective they were in areas such as risk assessment, client engagement, and regulatory compliance.

The 238 responses indicated that even with increased demand, there are huge opportunities for accountants left untapped.

1

Clients are being left unserved by their accountants when it comes to looking at their personal short, medium and long term financial goals

2

Most firms do not collate basic details which could have a dramatic impact on their clients and their families

3

Small changes to approach could unlock huge benefits to the client, the firm and your team

The results in more detail

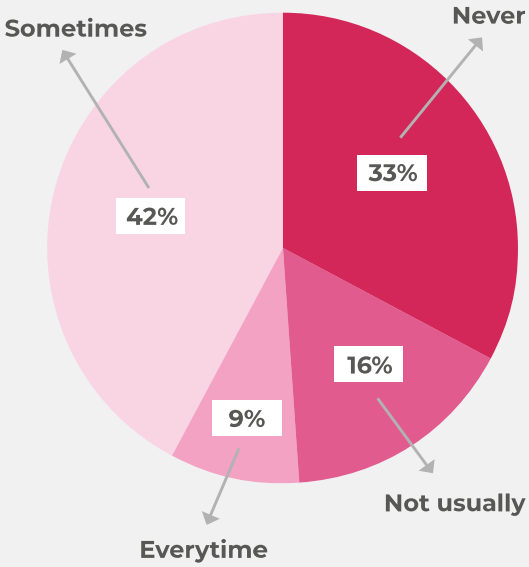
Goal Alignment and Long-Term Planning

Perhaps the most significant finding is that 49% of firms don't regularly document clients' personal goals and objectives. Without understanding clients' personal aspirations, financial plans of any kind are unlikely to align with their life goals.

Given that an exit of some kind is the desired outcome for many business owners, the research points out that 52% of firms never or very rarely collect data on clients' plans for stopping work or transition to a new project.

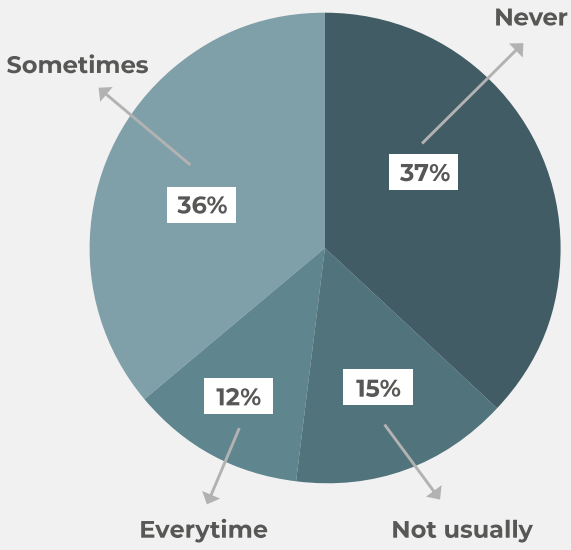
Not only is this a potentially lucrative event in the accountant-client relationship, it provides a key driver and focal point for the professional work required in the years leading up to it in order to create a better, more exit-ready business.

Do you document your clients goals and objectives?



33% Never
16% Not usually
9% Everytime
42% Sometimes

Do you collect data about clients' exit plans?



37% Never
15% Not Usually
12% Yes
36% Sometimes

Showing a client how to improve their business is one thing. Showing them how to improve their business in ways that achieve their personal goals is far more impactful. – **RICHARD BERTIN**

Having the conversation about goals and the future

- Outside of work, are there things that they wish they could devote more time or attention to?
- Are there things they would like to achieve or have to enjoy, outside of the business?
- What would they like for themselves, their family and their business when they retire or move on to their next project?
- Have they considered how much they might need to have at their planned retirement age?

Risk assessments - protecting the business and the client

Only 15% said that they actually knew that their clients had an up to date Will and Lasting Power of Attorney (LPA) in place. This underlines that although the profession is good at looking after the financial well-being of a business, it may fall short in safeguarding its long term stability, especially in the event of life changing events or death of the owner.

→ **15%** of firms know if their clients have an up to date Will and Lasting Power of Attorney in place.

This one simple question could in itself make a big difference in creating confidence for clients that their interests will be looked after even in their absence.

The results also reveal that 78% of firms never or rarely conduct a risk assessment to review their clients' protection against ill health and early mortality. Having a lack of proactive measures to safeguard clients from unforeseen health risks, can leave their families seriously exposed to a lack of income and financial uncertainty.

→ **78%** - Do not ask clients if they have protection in place for ill health or early mortality.

Have the conversation around what will happen to their business in the event of their death or inability to work in the business due to illness.

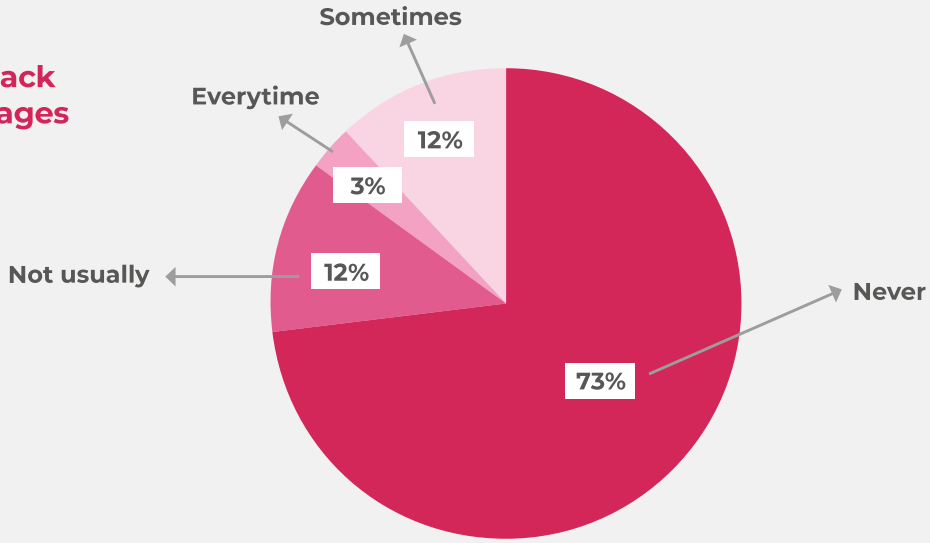
- Do they have an up to date Will, and LPA in place?
- Is suitable insurance in place to cover themselves and their family adequately in the event of their death or illness?
- Is there a plan in place for the management and continuation of their business if they are unable to participate?

Mortgage renewals and potential cash impact

Another critical finding is that 73% of firms do not track when clients' mortgages are up for renewal. Given the numbers that have come off and coming off low fixed rate mortgages over the next couple of years this could mean not planning sufficient remuneration for the business owner and also missed opportunities for refinancing and better mortgage terms.

Mortgages can often be the largest financial commitment of a household, so changes here could have the single most notable effect on day to day cashflow.

How often do you track when clients mortgages are up for renewal?



73% Never
12% Not usually
3% Everytime
12% Sometimes

While personal mortgages may not be within the comfort zone of accountants, we are used to talking about funding and cash flow and crunching the relevant numbers. Here is an opportunity to expand the conversation and to demonstrate a genuinely proactive approach by forewarning clients of the impact of upcoming changes. – **RICHARD BERTIN**

Talk about mortgage costs and family plans

- Do they have a fixed rate mortgage that is due to expire in the next 12 months?
- What would be the cash impact on them if they had to refinance at a higher rate?
- What planning needs to be done to limit this impact and ensure that they can maintain their current lifestyle?

Accountants are already versed with dealing with mortgage statements and broadly understanding the requirements, which makes it very easy to move from a reactive to a proactive approach.

Personal cash flow forecasts can go hand in hand with similar ones for the business to guide the planning of profit extraction and remuneration.

The power of personal balance sheets

73% of firms said that they do not have visibility over their clients' personal assets and balance sheets. This fundamental tool for assessing financial health is part of the staple reporting for businesses, and so it can be for business owners to understand and progress their personal financial goals.

73% of firms have no visibility of their clients personal balance sheet.

While you may not necessarily need to understand this in real time, regular reviews are crucial in helping clients make informed decisions around their lifestyle choices, family expenditure commitments and even retirement progress.

Each of these can be directly impacted by and be used to directly address the plans of the business itself as the wealth generating vehicle.

For many clients, their business is a means to an end, an asset from which to achieve personal financial security and wealth. Understanding a client's personal position is an indication of the reality of their personal goals as well as a key element of the 'know your client' equation. **– RICHARD BERTIN**

Talk about being financially healthy

- How useful would it be to understand your overall financial health so that we can help better plan for both you and your business?
- Have you assessed how prepared you are financially to meet your goals and even prepare for retirement?

Using a simple checklist approach to recording income, savings, assets, expenditure and liabilities can create an invaluable picture that will help bring this to life for clients, and provide the data you need for more effective planning.

When we engaged All in Place, it was clear from the get go that their motto is focussing on how we can best help our team to help our clients. The training provided was engaging and has encouraged our team to have conversations with our clients differentiating us from other firms. All in Place have provided us with the tools to make changes and have inspired us to have those human connections, rather than just a tech stack.

Emily Deakin
Client Services Director, Farnell Clarke

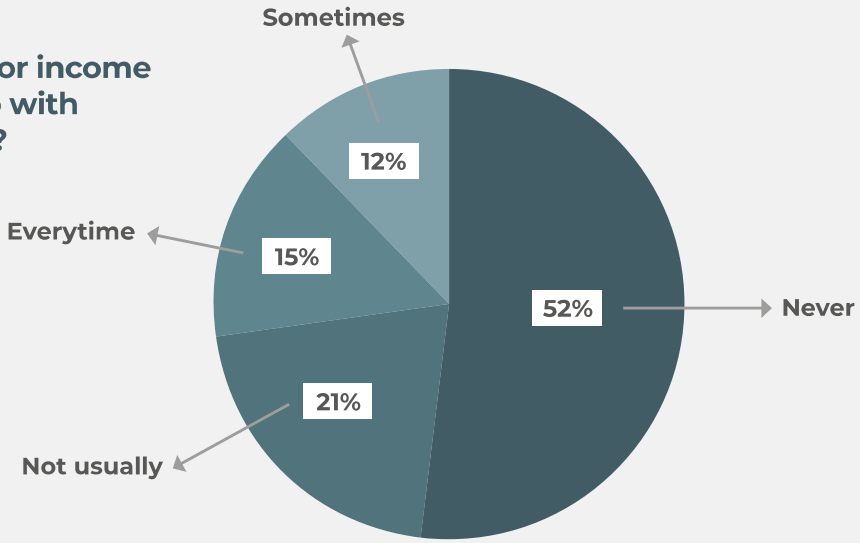
FARNELL CLARKE
ACCOUNTANTS

Remuneration planning and cashflow

This same data can also have a practical role for more short term (one to two year) remuneration planning. 52% said that they never capture detailed regular expenditure questionnaires to help here.

Not having this data does limit the kinds of options that can be presented, and could help with things like timings of profit extracted to make them as tax efficient as possible.

Do you capture details for income and expenditure to help with remuneration planning?



52% Never
21% Not usually
15% Everytime
12% Sometimes

Implementing regular expenditure questionnaires as part of the financial review process can bridge this gap. Collecting and analysing this data ensures that financial plans are tailored to clients' actual spending patterns and financial needs, and related back to the financial reality of what the business is able to provide.

Have the conversation around needs and ambitions for the next few years

- Are there life events, car purchases, house renovations, holidays, or other one off major expenditure likely?
- Do you see any changes to your regular commitments including household bills, mortgage payments, school or university costs?
- How do you plan to cover these?

Two of our guiding values are to always 'think client' and 'put relationships at the heart'. All in Place has helped Bishop Fleming enhance its private client proposition further, by walking in the shoes of the client, rather than the practitioner.

Peter Ball
Tax Partner, Bishop Fleming

Bishop Fleming
Audit · Accountancy · Tax · Advisory

Support for developing staff skills

While the picture painted is one of great opportunities for accountants, this can only be realised effectively if enough support or training is given to staff. Given that most of the points examined required little in terms of specialist skills or movement toward regulated areas, this seems like a prime area to address and one that could reap the biggest reward.

While 64% confirmed that staff members have a personal development plan in place, only 15% include soft skills training, leaving 42% very unconfident in engaging with clients in personal financial matters. The ability to have the conversation with clients is essential in order to create the confidence to move towards talking about something other than the business numbers.

- **64%** firms with a personal development plan in place for staff.
- **15%** include soft skills training.
- **42%** say they are unconfident engaging with clients in personal financial matters.

Your team can often have many more regular contact points with clients. Each of these is an opportunity to learn more, and document more about the client, and to understand where there might be an opportunity to step in with valuable advice. We miss a trick if we leave these opportunities to formal meetings with the partner or director. **– RICHARD BERTIN**

Having the conversation with staff

- What do you think you would need in order to have conversations with clients around helping them achieve more of their personal goals and aspirations?
- How can we improve our processes to bring the business owner and their families more into view?
- What would be the impact on your professional development if we could bring business and personal planning together?

Team members can be trained to be more aware of the risks, opportunities and symptoms to look for. Combining this training with a systemised approach to collecting of clients' personal data increases fee potential, reduces risk and raises client services levels.

It's also great for team engagement and retention to involve them in such a value-added approach.

All in Place have shown us how to enhance our service proposition to clients, by considering things through the lens of the business owner. Through focused training, staff have been upskilled, not just on soft skills, but understanding "client needs", rather than the business needs, i.e., core reporting and compliance. Staff and clients are both seeing the benefit.

Georgi Rollings
Co-CEO, Starfish Accounting

Starfish ACCOUNTING

Your decision to act

Accountants play a crucial role in ensuring the financial health and well-being of their clients. The findings of this research underscore the need for a more rigorous and systematic approach to KYC, personal financial health checks, emphasising personal risk assessments, and client engagement.

By focusing on these areas, accountants can provide more holistic and effective financial guidance, ultimately leading to better client satisfaction and retention.

Choosing to act in the best interest of your client could be the difference they are looking for.

all in•place®

Bridging the gap between business and personal financial planning

All in Place streamlines client data management, risk assessment processes, and financial tracking, ensuring that accountants have a complete and up-to-date view of their clients' financial position.

Train your staff to deliver an effective, compliant and valued private client service

Powerful and practical course that boosts your team's confidence to engage and progress:

1. Accountants essential role in personal financial planning
2. Fact find mastery: How to uncover client requirements and deliver effective outcomes
3. Purpose, proposition and profit: creating a compliant service that delivers for you and your clients

Drive long term value, client satisfaction, and staff engagement

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