

## THE GROWTH OF ADVISORY

# Closing the rule book on old methods - how to make advisory as natural as compliance



Client needs have significantly evolved over the past few years. First, it was a shift to the digital age with Making Tax Digital, then uncertainty brought on by Brexit, followed by a global pandemic. Many of our customers have seen an increase in demand for their client advice, real-time information and quick access to data.

While there has been a notable increase in demand for services that could be packaged and charged as advisory services, the shift from compliance to advisory has been slower than many have envisaged.

At Wolters Kluwer Tax & Accounting UK, we support customers with tools and processes that make client advisory as natural as producing a tax return. Here we share why there is such a slow shift to advisory and some practical tips to becoming an advisory practice.

### Tracking a growing market

We conducted interviews with practices in nine countries across Europe and a common piece of feedback was that firms do not believe the shift from compliance to advisory is accelerating as fast as they envisaged.

That said, whilst many conversations with clients started with a compliance task, most ended up involving advice as well. The advisory work was on a reactive basis, responding to requests from clients.

This seems like a contradiction. How can the shift from compliance to advisory be slow when the demand is clearly there, and the environment created by recent uncertainty has primed practices to take on more clients? One consideration is that firms don't have advisory embedded into the DNA of their business, as they have with compliance.

Put simply - they don't have the tools or processes to support that change to advisory, nor do they have a strategy to make a start.

### Tools and strategy: the keys to unlocking advisory services

Many practices already provide advisory services to their clients when asked, but they lack standardised processes on how those services are monetised or managed within the practice - from the monitoring of deadlines to the billing of the work that is completed.

**Does this resonate with you today?** You may be providing snippets of advice on the back of compliance work, which makes it difficult for you to sell and charge for the extra value you're providing. Your clients might already have expectations that this advice is packaged into your services. Demonstrating that tangible value is key in this scenario.

The next challenge is to answer the more difficult question - can you say no to compliance work that is potentially easier to win, to make room for higher-value services? Whilst it might be deeply entrenched within your practice to provide a set amount of compliance tasks, making room for standardised processes for advisory is a conscious decision that must be made. It requires a strategy.

“Finsit is dynamic and has led to more client engagement because we can drill-down right to the source. As a result, we have seen more conversations and questions than when we presented the black and white spreadsheets.”

Pär Dahlström, Grant Thornton



Identifying the need and offering advice at the right time, to the right client who will pay for that advice, is difficult and can be very time consuming. This will also require a strategy.

Think about how you provide compliance today. You have the tools, strategy and processes in place that drive an efficient chargeable process for completing compliance tasks. Advisory should be no different.

### The art of segmentation

Developing your advisory service offering is by no means an all-or-nothing task. Start with one service offering - you should consider not taking on too much at once, otherwise, this will harm the customer experience and first impressions matter.

Look inwardly at the skill set you have within your practice. Do you have the right people with the skills to offer advisory services to your clients? If not, is there the potential to upskill your existing employees or is it a completely new skill you are looking for?

The next step is to consider your existing client base and get to know their needs, vision and challenges. They may already be asking you questions that should give you visibility of the pain points that require addressing. These questions will help you establish the services that you can offer them today.

Once you start the process of reviewing your clients, you will see similar requests or topics emerge. Segmenting clients into can be an invaluable way for you to give tailored advice to each segment and, therefore, to each client. It is an efficient way of understanding what level of value you can offer.

### Building layers of advisory services across your client base

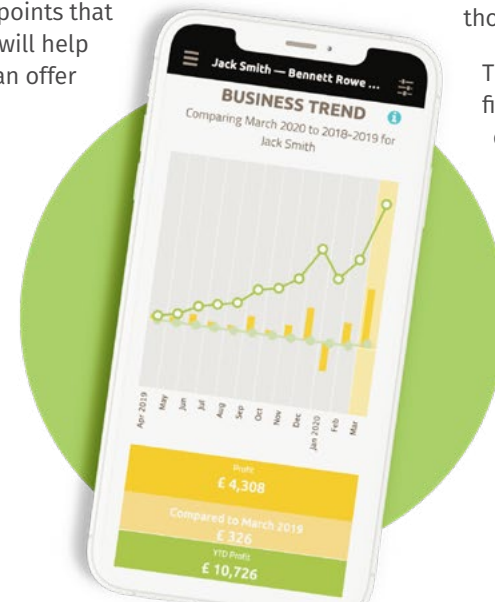
At a basic level, most, if not all, of your client relationships start with compliance. There may be clients who are only interested in a relationship during self-assessment season. These clients may have some way to go before shifting their mindset that your role of trusted adviser could improve their business. These clients form your base layer.

With clients expecting more in less time and at a lower price, automated systems can help you produce figures quickly, giving you opportunities to monetise higher-value services to make up for lost profit.

This is the next layer of services, which includes reporting and analysing your clients' business health and key performance indicators. You might already have clients requesting real-time information. Business intelligence, financial reporting and growth planning can be monetised based on value. Better yet, they can be provided efficiently if you have the right tools.

Finally, the third layer of advisory services is a strategic offering, where you come into your own as a trusted adviser. Layer two provides the figures, but level three is where an extraordinary advisor turns those figures into valuable insights.

This is where you can take complex financial figures and turn them into decisions about what to do next for the business. You can use tools to make a genuine difference to your clients, ensuring your advice is relevant and your practice remains invaluable.





Advisors share figures.  
**Extraordinary ones turn  
 them into insights.**

### Putting a price on your value

For your practice to take advantage of new revenue opportunities, consider changing the way you are valued by your clients. This requires a change in mindset, from being valued for your time to being valued for your insights.

You will need to decide what value to place on services and expertise in the business. Once you have decided on a pricing model, the next step is to review existing clients' pricing agreements and how they can be adjusted.

### What tools do you have available?

Having the right tools in place to enable great conversations and show your clients what you can offer them is the next important step. You might already be providing some level of this service to your clients, such as using reporting functions within your existing software. Having a financial reporting tool is a very good starting point to turn that data in your software into actionable insights.

If you want more information about these tools, you can [learn more about them here](#). Wolters Kluwer Tax & Accounting UK has launched a new cloud tool, [finsit](#), that makes providing insights and financial reporting effortless.

So, with the demand for your advice and a strategy in place, there should be nothing to stop you from offering additional services.

### To sum up, here are our top five tips for turning your vision of advisory into reality.

Five steps for turning your advisory vision into reality

- To embed advisory as part of the DNA in your practice, you will need to ensure your practice has the skills, strategy and tools to sell and provide advisory services.
- Ensure that you use your valuable expertise where it is most needed. Segmentation is key, as you are more likely to gain greater value by investing these services in the clients who will most value your work and advice.
- Manage client expectations about the value of your advice. Think about what you will continue to offer alongside compliance. More importantly, think about what you should stop offering for free with compliance and monetise your advice instead.
- Ensure that you start to commoditise the insights that you have in your system. You are likely to have valuable data from your clients - start there.
- Find ways to make advisory a natural part of the services you provide - one that your clients will really value. This is where your strategy will come into its own.

**Finsit transforms complex financial figures into simple-to-understand infographics, making decisions about what to do next clearer. Help your advice stand out with a visionary tool that will make a genuine difference to your practice and those of your clients. [Find out more about our cloud insights tool today.](#)**

Learn more

