

Appendix 4

Why might accountants need help on strategy?

Much has been written about the challenges facing accountants.

Accountants are assaulted on all sides by those suggesting that the accountancy business model is doomed and that they must change everything tomorrow or they'll be out of business!

Of course, some of the doom merchants do have a point but, in reality, most of the challenges we currently face are similar to those we've always faced.

Consider the accountancy business model – how many accountants do you know who have gone out of business? Despite numerous commentators advising accountants that they must change, the reality is that their business model continues to survive and thrive.

Therefore, while many accountants accept the logical argument for change, they're not in sufficient pain to actually do anything different – they're comfortable.

The more ambitious the accountant, the more willing they are to challenge the status quo in their firm and to initiate change to tackle the current AND future challenges on the near horizon.

Different challenges...

Each firm is unique. However, the challenges most firms face can be placed into four main categories:

1. Firm leaders are looking for **fee growth** (or, in some cases, how to manage growth).
2. Firm leaders are seeking **greater profitability** (check out the '5 levers of growth' in Appendix 2).
3. Firm leaders are looking to **maximise capital value**, perhaps preparing for an exit or sale.
4. Firm leaders want to **reduce stress** and expand their freedom.

NB: We've not added **cash creation** to this list, as this is relatively easy and simple for most firms to manage and should not be a strategic challenge.

Of course, these categories are not mutually exclusive. But at any point in time, most firms have challenges which can be found in one of the four areas above. It's important to recognise what it is you're looking to improve, because a strategy aimed at growth will look different to one seeking profitability, which in turn looks different to a strategy focused on maximising value. And a strategy that wants all of the above will look different again.

The common bond with the issues above is that all can be addressed by seeking strategic health.

Invest time working on your accountancy business...

Most accountancy firm owners, like most business owners, seldom spend time working **ON** their business.

Most accountancy firm owners are simply too busy working **IN** their business. The ultimate extension of this path of working wholly **IN** the business is that their firm is happening to them and around them, rather than being driven by them. They work for the firm, rather than the firm working for them.

These firms have **NO STRATEGY**.

Some firms do actually undertake some form of planning – taking time out of busy schedules to proactively plan ahead to shape the future of the firm. But in most cases, when challenged, these owners will guiltily admit their strategy or planning document is sitting gathering dust somewhere in a cupboard or, at the very least, lacks definitive and regular action and updates.

Or, they may plan for the next year in a regular 12-month cycle, only managing short-term goals, opportunities and challenges.

These approaches are **BAD STRATEGY**.

By contrast, there are some firms for whom the strategic planning process is an annual event, with quarterly areas of focus (OKRs). Such firms are actively following a path which they determined is the correct one for them and are regularly reviewing progress against their plan, tweaking where necessary.

Quite rightly, this is called **GOOD STRATEGY**.

Into which category does your firm fall?

Make strategy human...

Let's humanise the numbers for a moment and consider how the owners of the different firms feel at any point in time.

Let's look at firms with **NO STRATEGY**. Owners of such firms are likely to feel:

- Guilty, knowing they should be doing some form of future planning
- Directionless, unsure of which way their business is moving
- Exhausted, through the sheer hard work of working in the business permanently

Firms with **BAD STRATEGY**:

- Feel frustration at not following through with the plan they pulled together
- Face a backlash from the team, who may have been involved in the planning process but who see nothing happening as regards implementation
- Feel confusion around identifying next steps – how do they actually translate plans into action?
- Feel disconnected from any future firm because of the annual-only budget/forecast predictions

Contrast this with the confidence felt by owners who have created and implemented **GOOD STRATEGY**. They feel:

- Reassured that they're actually following and implementing a strategic health plan
- A sense of strategic achievement every 13 weeks
- Pride in the engagement of their team, who were involved in building the plan at the outset and in contributing to its implementation

By looking at strategy through a human lens, we start to see the very real impact of strategic planning, not just on the owners, but on all the stakeholders involved in the business.

In short, strategic health is important!

So we ask again, into which category does your firm fall?

- > **NO STRATEGY**
- > **BAD STRATEGY**
- > **GOOD STRATEGY**

Or a better question might be “How do you feel when you think about strategy for your firm?”

This book aims to equip you with the knowledge to answer the 8 questions of strategic health. It also aims to help you develop the skills necessary for strategic planning and, ultimately, its goal is to enable you to create the right habits so that strategic health is a regular part of your firm’s quarterly achievements.

COMMIT TO GOOD STRATEGY

Committing to good strategy can future proof your firm and help you achieve the ambitions and goals you have for it.

Please use this book and the supporting online resources to help you.

If you want to talk with the team at Remarkable Practice on how we might help you, please get in touch at [**theteam@remarkablepractice.com**](mailto:theteam@remarkablepractice.com).

Use this QR Code or URL to read 'Good Strategy for Your Firm', a Business Breakthrough report based on insights from a world-renowned commentator on strategic health.



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