WHERE IS YOUR FIRM GOING IN 2016?

GLOOM DOOM OR

BOOM
AGENDA

1. The State of the Profession – Time for Change?

2. Is It Time to GO? - Selling Your Practice
   - Current Supply vs Demand
   - Factors that Influence Practice Values
   - Key Performance Indicators
AGENDA

3 Is It Time to GROW? – Marketing for Accountants

- Digital Inbound Marketing
- The 5 Proven Marketing Essentials for Accountants
  1. Branding
  2. Website
  3. Niche Markets
  4. Search Engine Optimization
  5. Video
The State of the Profession

Time for Change?
Introduction of GST

Compliance Sweatshops

GFC

Peak

Ageing Client Base
- Retirements
- Sale of Businesses
- Natural Attrition
- Client Leakage
- Referrals Dry Up
- Flat Line or in Decline

Internet

GROSS REVENUE/FEES IN $000s


FINANCIAL YEARS
For the past decade, "Growth" has been a Top 5 challenge for firms each year, and for 7 of those years it's been the No.1 challenge.

For the first time in 14 years of conducting the Good the Bad and the Ugly benchmarking survey, revenue per partner has tumbled by 8.9%.

Revenue per-firm has declined by 4.5%.
45% of firms are focusing on marketing/selling their additional services in 2016
Yet on average firms spend only 0.8% of revenue on marketing activities
84% of firms believe that for accountants to survive they must provide advisory services (in addition to compliance)

Source – The Good, The Bad and The Ugly – Business Fitness
THE STATE OF THE ACCOUNTING PROFESSION

Source – Hinge Marketing

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting &amp; Developing New Business</td>
<td>72.1%</td>
</tr>
<tr>
<td>Finding and Keeping Good People</td>
<td>35.9%</td>
</tr>
<tr>
<td>Dealing with Client Demands/Expectations</td>
<td>31.5%</td>
</tr>
<tr>
<td>Dealing with a Difficult Economy/Competitive Marketplace</td>
<td>28.3%</td>
</tr>
<tr>
<td>Strategy/Planning Issues</td>
<td>26.8%</td>
</tr>
<tr>
<td>Maintaining Quality/Efficiency</td>
<td>24.7%</td>
</tr>
<tr>
<td>Innovation/New Ideas</td>
<td>22.2%</td>
</tr>
<tr>
<td>Leadership/Internal Change Issues</td>
<td>21.2%</td>
</tr>
<tr>
<td>Budget Pressures/Other Financial Issues</td>
<td>20.3%</td>
</tr>
<tr>
<td>Motivating/Managing People</td>
<td>18.2%</td>
</tr>
</tbody>
</table>
THE STATE OF THE ACCOUNTING PROFESSION
WHAT’S YOUR PRACTICE WORTH?

FUTURE MAINTAINABLE FEES

• Exclude - Multi Year Work
• Exclude - Disbursements
• Exclude - One Off Assignments
• Exclude - Lost Clients
• Include - Estimated Fees from New Clients
PRACTICE VALUATION FACTORS

- Client Mix – Business vs I’s vs SMSF’s
- Ageing Client Base
- Location - Regional vs Metropolitan
- Profitability
- Trend in Gross Fees
- Risk of Major Client Groups
PRACTICE VALUATION FACTORS - Other

CLOUD BASED

PAPERLESS

STAFF

OUTSOURCE

OUTSOURCE
PRACTICE VALUATION FACTORS

- PROFITABILITY
- FEES PER FTE
- NUMBER OF SMSF’s
- WAGES % OF FEES
Is It Time to GROW?
Marketing the Modern Firm

"You are either green and growing OR you are ripe and rotting!"
MARKETING IN THE DIGITAL AGE

There's been a fundamental shift in the way consumers make important purchasing decisions in the past decade. The availability of free, high-quality information online has simply changed the game for the way all businesses, small and large communicate with and sell to consumers.
MARKETING IN THE DIGITAL AGE

- Look at their website: 80.8%
- Search online (e.g. “Google” them): 63.2%
- Ask friends or colleagues if they’ve heard of the person or firm: 62.4%
- Social Media: 59.9%
- Talk to a reference that they provided: 55.5%
- I don’t check them out: 0.7%

Source: Square2Marketing
MARKETING IN THE DIGITAL AGE

Outbound Marketing
- pushes products or services on customers
- Communication is one-way
- Customers are sought out via print, TV, radio, banner advertising, cold calls
- Marketers provide little or no added value; rarely entertains or educates

Inbound Marketing
- earns people’s interest instead of buying it
- Communication is two-way and interactive
- Customers come to you via search engines, referrals, social media
- Marketers provide value; entertains and educates
Firms that generate at least 60% of their leads online are 2 x AS PROFITABLE.
Median Current Profitability as a % of Revenue

% Leads Generated Online

0% 15.0% 14.0% 20.0% 25.0% 30.0% 32.5%
1-19% 20-39% 40-59% 60-79% 80-100%

Source: Square2 Marketing
Firms that generate at least 40% of their leads online
5 DIGITAL MARKETING ESSENTIALS
THE MARKETING ESSENTIALS

- Font
- Colours
- Slogan
- Modern & Fresh
- Online
- Consistent
The main reason your website exists is to generate more traffic, convert traffic into clients and make more money.
... you need to create remarkable content, optimize that content for the search engines, publish the content, market the content through the blogosphere and social media channels and measure what is working and what is not working.
THE MARKETING ESSENTIALS

2 HEADLINE

The Success Formula™

1 CALL TO ACTION

WEBSITE

3 LEAD MAGNETS

4 SOCIAL PROOF
Accounting for Landscape Gardeners and Suppliers

Running a landscape design and construction business requires some unique skills. While the design aspect requires creativity and imagination, the construction side can be physically very demanding and there are also environmental considerations.

The long hours combined with the physical demands of the job explain why many landscape gardeners fail to give accounting and tax issues the attention they deserve. While GST, BAS and payroll payments often represent some of the largest financial obligations for a landscaping business, most tradespeople fail to manage their tax effectively. As a consequence, we find many landscape gardeners pay too much tax and are exposed to fines and penalties as a result of non-compliance.

Here at Voltage Accounting we understand the challenges and operations of a landscape design and construction business. Apart from the usual business compliance issues of GST, BAS, PAYG and Superannuation, we assist clients with managing their cash flows and help them select the right software to prepare quotes, invoices and manage their payroll and apprentices. Too many tradesmen use the wrong accounting software which ends up costing them more in accounting fees. Our client brief includes helping you out the cost of compliance.

We believe marketing can be the difference between success and failure for a landscape gardener and it all starts with your branding. (business name, logo development and domain). Through our affiliate partners we can help you develop your website and corporate brochure which harness the power of social media to win more referrals. Having an accountant who understands the mechanics of the horticulture industry can potentially give you the business edge. Over the years, our team of accountants have managed dozens of landscape gardeners through the various stages of their business cycle - from start-up right through to sale. Their business expertise, technical knowledge and most importantly, an intimate understanding of your industry to the table.

Our clientele span the entire landscape industry as we also service suppliers to the industry including lawn growers, coping and soil suppliers plus road and equipment suppliers.

THINKING OF STARTING A LANDSCAPE BUSINESS?
As business start-up specialists we can provide you with a comprehensive range of services and tools to get
THE MARKETING ESSENTIALS

SPECIALIST SERVICES

- SMSF
- NEGATIVE GEARING
- IT & CLOUD
- AUDITS
- NOT FOR PROFIT
4. SEARCH ENGINE OPTIMIZATION

75% of users never scroll past the first page of search results.

FIRST PAGE ONLY!
60% of all organic clicks go to the **top three** organic search results.
By 2017, 69% of internet traffic will be video.

Visitors will stay on average 2 minutes longer.

Increased likelihood of 1st page Google ranking by 53%.
In Oct 2006 Google acquired YouTube for $1.65 billion.

As per Alexa, YouTube is the 3rd most viewed website after Google and Facebook.

60 hours of video get uploaded on YouTube every minute.
2016 in Numbers

Your peers’ predictions for the next year in accounting

GETTING SOCIAL
Is your firm involved in any of the following social media?

- LinkedIn (62%)
- Facebook (47%)
- Twitter (23%)
- Blogging (16%)
- Other (23%)
Franchising – Risk & Return

Franchising is certainly big business in this country with sales turnover of $44 billion. The Franchising Australia 2014 Report tells us that there are 75,000 franchises operating in Australia employing more than 440,000 people. The perception is buying a franchise is a safe and guaranteed cash cow.

The realty is franchising is fast. Wendy’s Togo Sundays, the former master franchisor of the ice cream and hot dog chain was placed in voluntary administration in July 2015. The eight year old Parkfield Home Furnishers franchisee with around 300 franchisee collapsed seven years ago on top of the ice cream and car care company, Mydco Australia. The list of casualties is long.

Franchising is now across most industry sectors and buying a franchise is often described as buying a “business in a box”. You are basically buying someone else’s business on brand together with all their contents, processes and marketing collateral. It sounds like a recipe for success but before you invest in a franchise you need to do your homework. In the due diligence process you might find the stores and training the franchise offer are inadequate, the location is unsuitable or there is no real marketing plan behind the business. You might also find that the master is undercapitalised and an example, in the last 12 months we have seen a flood of high street shops come and go.

We are not suggesting for one moment that buying a franchise isn’t a great potential investment. However, given most franchisees appeal to first time business owners, this serves as a warning and you need to be selective about your investment. A franchise study from 2000 suggests that:

- Over 80% of franchisees are profitable
- 16% of franchisees generate a profit of less than $20,000 per annum
- 3% of franchisees generate a loss of more than $200,000

According to a report on food franchising by Franchise Business Review, 11.5 percent of food franchises earn a profit of less than $50,000 a year, 18.7 percent earn $50,000 to $99,999, and 31.2 percent earn $100,000 to $149,999. The remaining 38.6 percent earn a profit of $150,000 or more.

On a positive note, the Franchising Australia 2014 report suggests 72 percent of franchises report that franchises have increased in revenue over the 2013/2014 financial year. In addition, over two thirds of franchises believe franchisees’ profitability has improved. This is very encouraging and is consistent with the overall economic recovery in 2014/2015.

THE TRAPS

While some franchisees market their franchise as a “franchise” operation, running a business requires energy, perseverance and commitment. There is no substitute for hard work and if the business was just a profit making machine surely the owner would set up more sites and just employ the staff.

The number one question that a prospective franchisee wants to know is, “How much will I earn?” It’s a fundamental part of the decision making process and while there is no substitute for hard work and perseverance, a franchisee that offers a guaranteed profit is likely to be the one that you should consider. The greatest compliment we receive from our clients is the referral of their friends, family and business colleagues. Thank you for your support and trust.
THE MARKETING ESSENTIALS – #8 Blog

Four Ways to Grow a Business

1. Increase the Number of Prospects
2. Get the Customers to Buy More Often
3. Increase the Average Sale Value
4. Improve Your Operations & Efficiency

Let’s face it, everyone wants to grow their business. Unfortunately there is no magic bullet and fundamentally there are only four ways to grow a business:

1. Increase the number of customers (of the type you want)
2. Increase the number of times customers come back
3. Increase the average value of each sale you make
4. Increase the effectiveness of each prospect in your business.

There are, however, some simple ways to grow your business:

- **Target Marketing**: Know your customers. Who are they? Age, gender, income, etc. This can be done locally or geographically. The key is to target the right customers.
- **Social Media**: Use social media to engage with your customers. This includes Facebook, Twitter, LinkedIn, etc.
- **In-House Blogging**: Write about topics that your customers care about.
- **Network**: Network with other businesses to cross-sell and promote your business.
- **Direct Mail**: Use direct mail to promote your business.
- **Website**: Increase your website’s visibility and search engine optimization.
- **Public Speaking**: Speak at events to promote your business.
- **Advertising**: Use advertising to reach a larger audience.
- **Referral Programs**: Encourage your satisfied customers to refer new customers.
- **Customer Service**: Provide excellent customer service to keep customers coming back.

Review your website to ensure it is search engine optimized. This will help your business rank higher in search engine results.

Remember: The key to growing your business is understanding your customers and providing them with value.
THE MARKETING ESSENTIALS - #9 Client Seminars

Systemised SEMINARS
Solutions For Proactive Accountants

[Image of a seminar with attendees]
If you always do what you always did, you will always get what you always got.

- Albert Einstein

Insanity: doing the same thing over and over again and expecting different results.

- Albert Einstein
WHAT'S YOUR 2016 MARKETING PLAN?

- Try to generate more referrals: 61.9%
- Increase the brand visibility of your firm: 57.9%
- Updating/Upgrading your website: 54.9%
- Increase the visibility of your experts: 54.5%
- Make existing clients more aware of the services you offer: 53.5%
- Develop a more compelling message to potential clients: 53.2%
- A content marketing program: 47.2%
- Develop a marketing strategy/plan: 45.5%
- A lead generation program: 42.5%
- Finding a stronger competitive advantage: 40.8%
- Conducting research on your target market: 33.8%
- Training in business development skills: 28.8%
- Conducting client satisfaction research: 22.7%
- Rebranding your firm: 18.7%
- Other: 17%
QUESTIONS

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