Show Notes: Episode 2
Embracing Financial Advisory: A Bookkeeper’s Journey

Joe Woodard and Ben Ross

In this episode, Joe and Ben spend time exploring how best start the advisory journey and provide the case study experience of some accountants who are taking their first steps in advisory services, Randi Rose & Gayle Goldman from Thrive Business Services.

The episode also includes a selection of recurring segments like:

- Things I Like...Things I Don’t Like
- The Deep Dive
- Crossing the Rubicon
- Wall of Heroes, and
- Getting it Done

In addition, Joe shares his insights on QuickBooks Live – Intuit’s prospective bookkeeping offering, and Ben provides some insight into the example of Accountor, Finland, where the leading accounting software developer has been offering accounting services alongside its technology offerings cohesively with independent accountants for over a decade.

Things We Like...Things We Don’t Like
Joe loves His Ember Mug

Joe’s ember mug is a reminder of how the internet of things (IoT) is enabling us to capture data from the most innocuous of devices – even Joe’s coffee mug. Think about what things could deliver data to help your clients manage their business e.g., Samsara truck device.

Ben and Joe are excited about the opportunity for advisors to capture data using IoT from a wide range of ‘things’ used in their client’s businesses and use that data to help advise clients and add value.
Electric Bikes
Ben is a keen cyclist and finds the experience of being overtaken by a rider on an e-bike, while on his way to the office, to be a confronting experience.

As a traditional cyclist, Ben’s initial impression is that e-bikes are not in the spirit of cycling – but after he digests the concept, he realizes that electric bikes are redefining what cycling is, and it is an exciting evolution for the sport which will open up the sport to a new cohort of cyclists and open up new territory which is now easier to access thanks to electric assistance.

Joe provides evidence of this view because he has ridden an e-bike and considers the advent of electric bikes to help him more easily participate as a cyclist.

The Transformative Advisor Application
Ben’s e-bike experience is a good example of how change can be confronting, and initially you may repel against it – but it is important to be open and re-think your own definitions.

Joe provides a caution that, just like with e-bikes, it is important to resist the temptation to be too reliant on the technology, and instead use the technology as an aid to be a better cyclist, in the same way that technology can enable advisors to become better advisors and can be used to make them stronger advisors, rather than become too reliant on the technology.

The Deep Dive: Discussing the Types of Transformation Work
You will recall that there are three types of transformation work: Financial Advisory, Operational Advisory, and Technology Advisory.

During each episode this segment will dive deeply into one of these three types of work. For this episode, Joe and Ben dive into Financial Advisory.

Ben gave a practical tip for financial advisory based on his surprise that only ~10% of users ever use the budgeting feature in their accounting package, yet budgeting is one of the most powerful features for an advisor to start the advisory journey.

Budgets are a great way to start an ongoing deep conversation with your clients. Joe refers to budgets as ‘the bridge’ between the accounting work you are doing today and the advisory work you can do tomorrow. However, accountants only cross the bridge into advisory when they both enter the budget information and hold their clients accountable to stick to the budgets.

Ben explains that the software you use today surely has a budget feature and it is deliberately designed to be easy to use for the advisor and the small business owner.

Crossing the Rubicon – Overcoming Barriers to Transformative Work
In this recurring segment, Ben and Joe address challenges to playing a more transformative role with clients. For this episode, Joe started by explaining the background to the naming of the segment.

Joe gives us a short snippet of history to explain why we call this segment, Crossing the Rubicon, the Rubicon refers to Julius Caesar’s crossing of the Rubicon river, an event in 49 BC that precipitated the Roman Civil War, which ultimately led to Caesar becoming dictator for life and the rise of the imperial
era of Rome. Caesar was explicitly ordered not to bring his army across the Rubicon River, which was at that time a northern boundary of Italy, and in doing so, he was disobeying orders and taking his own path. Today, the phrase "crossing the Rubicon" is an idiom that means to pass a point of no return.

Bookkeepers, consultants and accountants need to cross the Rubicon because they are told that they don’t belong in the boardroom (without a CPA or MBA). Ben & Joe recommend that they instead need to defy that conventional thinking and boldly enter the boardroom – figuratively speaking.

In this episode, Joe explores one of the most frequently voiced barriers: not having the adaptive capacity to do fold advisory work into the practice, especially with the learning curve many accountants must face to begin doing this type of work. Joe refers to the E-Myth – with its challenge to work on not just in your business - and provides three tips:

1. Fire a client, based on profitability or even emotional or cultural fit with your firm;
2. Outsource tasks that are predictable, cyclical and repetitive; and/or
3. Automate workflow in your practice, especially with the technology you adopt for this automation has a light adoption requirement

Hall of Heroes: An Interview with Gayle Goldman & Randi Rose
Gayle and Randi of Thrive Business Services in San Diego, tell the story of how they transitioned from bookkeeping-only to bookkeeping with meaningful advisory services.

In this interview, Ben asks Gayle and Randi to walk through the early steps of their transformation journey and how they identified their first client for transformation.

“Make yourself your first client”: Randi speaks of how they took the innovative step of applying the principles they had learned from the Woodard Institute and Dawn Fotopolus (see Dawn’s site and her book) to a do ‘Advisory work’ on their own business as if they were their first client.

The steps they took were first to listen and understand their client’s intentions and goals, their ‘why’ (spoiler alert: the client’s dreams transcended the operations their business), and they followed up with a simple financial advisory piece of work, to review of the profitability of each client and identify their most unprofitable client.

Bonus Segment – QuickBooks Live, Intuit Prospective Bookkeeping Offering
Over the past week, Joe has been a leading commentator providing a detailed analysis of Intuit’s initiative to offer bookkeeping services. During this episode Joe summarized the key elements of the initiative and the responses of professional bookkeepers.

Joe explains how Intuit TurboTax Live has offered a similar service with live CPA’s serving the low-end tax prep market. With QuickBooks Live, Intuit is similarly focused on small businesses that don’t currently engage an accounting professional. According to Intuit this group represents 40% of the userbase of QuickBooks Online.

So, Intuit is focused on helping bring that segment into the advisory market, while designing the system to protect the relationships accountants currently have with clients who use QuickBooks Online.
If Intuit is commoditizing simple bookkeeping tasks, Joe & Ben suggest that this means there is now even more of a need for bookkeepers to do what Ben calls, “Moving Up and Moving Beyond.” By this, Ben means services larger businesses with more complex back office needs (i.e., “Up”), and embracing advisory work like financial, operational and technology advisory (i.e., “Beyond”).

Joe makes a killer point, that “The sky is not falling, but there are things falling from the sky” and refers to outsourced bookkeeping services which can serve clients at low cost using technology, like Intuit proposes to do, such as Bench, BotKeeper and Belay.

In Joe’s webinar series this week, Joe asked his audience of tax professionals (ProAdvisors) whether they felt the need to focus on advisory, 80% stated an urgent need to focus on advisory work to protect themselves from the shifting bookkeeping landscape.

Ben shared the experience of Accountor, which, similar to Intuit’s bookkeeping initiative, is an Intuit-like software player serving the Nordic region and they have had over 1,000 advisors, employed by Accountor, using Accountor software providing accounting services alongside non-accountor advisors.

**Getting it Done**

During this segment, Joe and Ben suggest one thing very specific you can do with your clients over the coming month. For this month, Ben & Joe recommend that accountants and bookkeepers take Randi & Gayle’s lead and work with their clients to identify at least one customer the client needs to fire.

Using the analogy of the beneficial impact of pruning for trees and plants, the same is true for the client list of a healthy business.

**Share Your Thoughts, Questions and Transformative Advisory Stories**

Share your stories about transformation work, ask questions and make comments on Twitter using the hashtag #transformativeadvisor.

**Resources**

Additional resources like past episodes, webinars, articles, etc. about transformation work are available at [www.thetransformativeadvisor.com](http://www.thetransformativeadvisor.com)