



MACQUARIE

National roundtable series 2015

Executive summary



The Accounting Growth Network

The 2015 Accounting Growth Network (AGN) roundtable series brought together like-minded progressive accounting firms to discuss the changes they are making to improve client engagement, increase top line growth and differentiate themselves in the market place.

From the series, it became apparent that to become truly client centric, firms need to progress their staff engagement models in addition to leveraging both technology and available data to evolve the way they currently engage with clients. This paper draws out some of the key insights from the roundtable discussions, with particular focus on the people and culture component, which was a recurring topic of focus across the country.

Barriers to change

Many firms recognise the need to evolve, yet existing structures and equity models are creating barriers to change. Participants believe firms with legacy equity structures or silo-based service lines will find it hard to truly become client centric.

As a greater share of value comes from client-facing activities, firms are increasingly identifying the need for staff with different capability sets. Given the speed of change within many of the firms, finding the right people is becoming progressively more challenging, especially for smaller and regional businesses. Senior accountants with strong relationship management skills are particularly hard to find.

Generally, participants agree:

- **Emotional intelligence (EQ)** – is just as important as intelligence quotient (IQ) – at all levels, not just the top – to ensure every client interaction supports a quality experience. Participants agreed that career accountants would benefit from mentoring and training before they can successfully have high-value conversations with clients.
- **Distinguish between marketers and ‘technocrats’** – firms have changed from expecting everyone in the practice to drive new business, to acknowledging individual skill sets and letting people play to their strengths. This has led to a necessary change in their remuneration models; Technocrats have KPIs around sharing their knowledge with generalists; marketers have KPIs tied to winning new business.
- **Engagement is more important than remuneration** – many principals cited the importance their staff place on belonging and having a sense of purpose, rather than solely on their remuneration. One regional firm outlined how offering returning mothers flexible work hours that fit in with child care had helped boost morale and overall engagement.
- **Diversity is essential** – participants are aware of the likelihood, and danger, of recruiting people who ‘look like you’. This could include hiring staff of a similar demographic or social circle. Many are deliberately hiring to both improve diversity of thought and reflect the lifecycle point and cultural identity of their client. Participants stress the importance and potential impact of staff being able to relate to clients. The one area that most are struggling with is achieving diversity at partner level.
- **Graduate hiring should look beyond accounting** – more firms are taking on staff from adjacent competencies such as IT, banking and law and then training them in basic accounting skills to fill advisory roles. Some firms have realised that fundamentally changing the staffing mix, even at the graduate level, is essential to ensure client-facing staff are truly engaging and inspiring clients. In interviews, they seek graduates with entrepreneurial qualities – not just technical skills. To improve leadership diversity, participants are starting to map career paths from graduate to partner.

“You can pull out a psychometric test in a few years and the predicted behaviours match up.”

- **Psychometric testing adds rigour** – to both hiring and merger decisions, helping to understand internal skill sets and gaps. In addition, firms are using tailored versions for client-facing and back office staff. They particularly look for red flags that may cause cultural issues and inability to change, with experience proving that this type of profiling is remarkably accurate.
- **Staff coaching is vital** – firms are going above and beyond ‘on the job’ training. Investment in professional sales training and coaching for the leadership team in particular is becoming more common as firms acknowledge that strength in this area is critical to their success.
- **Sustaining culture gets harder**– firms are finding the traditional ways of getting staff to bond and collaborate are no longer working. Many are using ‘lunch and learn’ sessions to both increase skills and promote social interaction between different functions. Others are creating more appealing common areas to create a space where people talk and regularly interact on both a social and work level.

Big data and technology drive higher value solutions

Firms are leveraging data to drive consistent executive decisions, formulate strategies, profile the ideal future client and focus staff time more productively. Clients are increasingly comfortable providing their data and in return they expect firms to mine this data to meet their needs through more insightful client conversations and a higher degree of proactivity.

Truly client centric firms are leveraging data to surprise and delight clients with deeper insights and forward looking strategies. The transition to cloud-based systems is no longer just about efficiencies, it’s about freeing up staff to spend more time engaging with clients, understanding their needs and focussing on higher value opportunities.

Some multi-disciplinary firms are beginning to plan and realise that a single client view is essential to better understanding clients throughout a firm and having forward looking advisory-type discussions. These conversations, coupled with a better understanding of client data, are leading to opportunities for cross selling higher value solutions and even pre-empting client requirements.

Low cost operator doesn’t mean low engagement

Outsourcing and technology are allowing firms to offer services at a lower cost. Technology is also allowing firms to engage with their clients in a different way. For example, one firm has introduced screen capture technology to create video tutorials that help clients solve common issues as they arise with pre-defined responses. This not only allows clients to work through an issue at their own pace, it also allows practice staff to deal with enquiries more efficiently and avoid repetition.



Clients with different cultural backgrounds often tell me what they think I want to hear instead of what I need to know. Having senior members of staff with similar backgrounds changed the conversation – and improved the outcome for clients and our business.



Speak to your **Macquarie representative** to learn how we can help you evolve your accounting practice.

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