

Questions For Accountants

For Your Understanding – Ask Them

1. What does a cross section of your clients look like?

- By industry (for self employed)
- By occupation (for employees)
- By income
- By net worth
- By location

You are not asking for this in any detail, but just a verbal broad brush to see what they actually know about their clients and to get a feel for what sort of financial planning issues could be addressed for these types of people.

2. What do the top 5% of clients (by value to the firm) look like?

It would be good to know what these people look like and how much they pay in accounting fees. This will give an idea of what scope there is for proper full service financial planning (even if the accountants can't see it)

3. What about the next 20%?

4. How do you segment your clients? What are the criteria for A,B,C etc?

Do they segment and what services do they provide to each level? This will tell you a lot about their business.

5. What is the service standard for each of these segments?

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Questions For Accountants (continued)

6. What types of clients do they want serviced by the financial planning service?
7. Do you want a service that can help everyone within the client base, or a limited number (target groups)?
8. What services (or products) do they think these clients will want? How have you determined this?
9. Do all services have to be provided in-house?
10. How do they anticipate finding these clients and referring them across?
11. Within the firm which partners are most supportive of this initiative? Why?
12. Which partners are not so supportive? Why?

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Questions For Accountants *(continued)*

13. Quick Case Study: Provide me with details (verbally is OK) on the best client of each partner.

- What do they do?
- What do they earn?
- How old are they?
- What issues do they have financially?
- How have these been addressed by the firm?
- How often are they reviewed?

Highlight further areas to be addressed (have they considered SIPPS, Estate Planning, Succession Planning, Transition To Retirement, Debt Review etc)

14. What is their expectation for the Financial Planning (FP) division?

- Financially
- Culturally
- Strategically: Build and sell? Or Build and hold?

15. What will the management structure of the FP firm be?

- Board?
- MD?
- Partners committee?

You need to be sure that you will have control effectively (if not legally) of everything to do with financial planning. If someone else, (or a committee) is going to run the show it will be very difficult to get this up and running. It may be something that you raise specifically as a condition at some point.

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Questions For Accountants

To Move Things Forward With The Accountants – Ask Them

16. What are the main sticking points for you?
17. What is the core issue in this whole situation?
18. Why is that the issue?
19. How are these issues and sticking points (in broad terms) affecting the practice currently?
20. What does the future development of the practice look like as it currently stands?
21. How did that vision come about?
22. What do you feel the future development of the practice needs to look like?
23. Why?
24. Is the business being paralysed by the past?

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Questions For Accountants

- 25. If so, how?
- 26. How are these issues and sticking points (in broad terms) hampering the future development (if they are) of the practice?
- 27. What are the various possible alternative courses of action?
- 28. What are the pros and cons of each?
- 29. What is the optimum solution for re-focussing the practice to the future?
- 30. Why?
- 31. Can it work?
- 32. If so, what changes need to be made NOW?

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Questions For Accountants

For The Accountants – Ask Them

34. How would your business look if we were designing it from scratch today?
35. Would that business include financial planning advice?
36. What are your clients expecting from you?
37. How do you know? Have you asked them?
38. What might they expect from you in 3 years time?
39. Would it be best to focus on core services and outsource the rest?
40. What value would you like to receive for the goodwill you are creating in your practice?
41. Regarding a financial planning service:
 - Do you want to own the high value added areas (the strategic advice relationship), or the commoditised areas of the advice process (the product sales)? Or both? (The biggest challenge for all planners is finding clients. You have clients. Therefore you should be able to negotiate good terms in any outsourcing deal regarding commoditised services).

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Questions For Accountants

- What will be your point of difference to say a High St Bank?
- What will happen to your business model for financial planning if commission payments are drastically reduced (by legislation or by product providers)?

42. Can we do some market research with 5 key clients to test possible service and fee options to see which ones they may prefer?

43. Would you be happy to trial 3 cases with me, doing a real plan for clients before committing to a new business? (We could then see the process in action and ask clients for feedback afterwards to gauge reactions)

44. What are the five most important issues in establishing a financial planning service? Why? (All partner survey)

I would submit this question to all partners via email and see what they come back to you with. You can summarise the results to highlight common views or differences of opinion. It may be a quick way to get to what the core issues are.

45. Who will own the clients in the event any business does not work?

46. How would that be enforced in practice?

47. Due Diligence Timetable (refer attached) – use this to control the moving forward process.

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