

# 7 most common mistakes you could make when choosing your accountant

## 1. Do you view your accountant as just another service provider?

Any accountant worth their salt should offer you far more than a basic service. Unlike the company you purchase your office supplies from or your telecoms provider, your accountant should act more like a trusted business partner. A good accountant is there to support your business; offering qualified and experienced advice and guidance. If your accountant waits to be asked, you may benefit from a more proactive approach.

**Just as you carry out price comparisons when buying new office equipment, it's always worthwhile conducting periodic checks to ensure that your accountant really does provide excellent value for money. There are thousands of accountants all vying for your business and although it's not a good idea to select your accountant on price alone, it's essential to ensure that your accountant is worth what they charge.**

Accountants who do the absolute minimum and therefore charge the lowest rates can seem attractive, whereas an energetically proactive and hands-on accountant has the potential to **save your business far more than using a cheaper 'bare bones' service.** Dig a little to find out whether your business is receiving the service it deserves.

## 2. Are your internal systems in good shape? If they're not, they could be creating more work for your accountant and as a result, costing you more money.

If you're at a loss to pinpoint why your accountancy fees have gone up, it could all be down to mistakes that your own staff have made. Poorly trained employees can create havoc with your internal bookkeeping systems, all of which has to be put right by your accountant. Many accountancy practices now offer IT software training for your staff on SAGE, or similar accounting software, to ensure that your internal systems are accurate and efficient.

It can also be worth investing in a 'cleaning up' process of your bookkeeping and payroll. When your books are in good order, not only will this save your accountant time and therefore save you money, it could also make a huge difference to the performance of your business and is a crucial tool to help you intelligently control your cash flow.

## 3. Are you looking back when you should be looking forward?

Countless companies spend the bulk of their accountancy fees looking back at what they should or could have done with their accountants. Although we can often learn valuable lessons by looking back, **it's essential to get the balance right.** A results driven and commercially aware accountant will focus your attention on looking ahead. This should involve setting targets, defining goals and putting in place structured plans in order to help your business move forward positively.

Areas you could explore with your accountant may include tax saving strategies, strategic business planning, overhead reduction programmes and plans to maximise **your profits**. **If your accountant doesn't offer these services to support the financial wellbeing of your business**, it could well be beneficial to source a more visionary and strategic firm.

#### **4. Does your accountant provide added value services? If not, you could be missing out.**

In today's highly competitive business environment you need far more from your accountant than basic legal compliance. Naturally, this is an essential aspect of the services all accountants should perform on your behalf. But what makes the difference between a company that struggles for survival and one that seems to make all the right decisions at the right time?

Of course, many business owners are visionary decision makers and possess an intuitive feel for when and how to act. But with most owner managers and directors focusing **their attention on their core business, it's essential to know that there is someone on board** who will not only watch your back, but will also flag up potential new business opportunities, take advantage of tax breaks as they happen and actively protect the assets of your company, whilst intelligently optimising its wealth.

**It's these qualities that can add measurable value and tangible results that will improve your performance and bottom line.** If this sounds like the sort of support your business could use, **it's worth carrying out some research to find an accountant with sound commercial intelligence and drive.** They are out there – **perhaps it's time to invest in the future prosperity of your company and find an accountant who's about far more than the maths.**

#### **5. Are you using a firm that's too big for you?**

Big name firms with a national presence can appear to be the smart choice for a discerning and ambitious **business.** However, **all too often a firm that's too large can suffer from 'client distance' issues.** You may even find that every time you contact your accountant you end up dealing with a different person. And if your accountant doesn't know you well enough **to understand your business and what you want to achieve, it's unlikely that you will get the best service from them.**

Some national firms promote a local presence, when in reality they are merely a regionally branded arm of a nationally focused super-practice. You will often find that a truly local accountant that possesses an in-depth understanding of your area and your competitors is better placed to serve you. And just because an accountant is bigger it **doesn't necessarily mean they can undercut smaller local practices.** Never take anything for granted – **it's always worth shopping around to find the accountant that offers your business exactly what it needs.**

## 6. Are you using a firm that's too small for you?

If you are successful in your chosen business, it's inevitable that you will have grown. In all likelihood your needs will have significantly changed as your business has evolved. Start-up and smaller companies often require very different services and advice from larger organisations.

Does your accountant have expertise in your specific sector? Have they a proven track record in managing change and controlled growth? Of course, some accountancy practices can meet the needs of a wide range of companies. But if you feel that you have outgrown your current accountant, or they don't possess the portfolio of services your business needs to progress to the next level, it may be time to think about looking for an alternative practice better suited to your needs.

## 7. Do you have a clear financial plan for your business?

Clear financial planning is a prerequisite for every viable business. Whether you're facing challenging times or are operating a profitable organisation, every business needs a solid framework of financial planning. When you're busy, it's all too easy to let this task slip further and further down your 'to do list'. But even highly successful companies ignore a well conceived financial plan at their peril.

A supportive and proactive accountant will encourage you to build a financially robust plan to protect your business. So whether you're experiencing rapid growth or your profits dry up, you'll always have up-to-date and informative data at your fingertips in order to make the right choices when it counts. If you don't have access to informative and understandable management accounts to support your day-to-day business decisions, you could be exposing your company to unnecessary risk.