



## Alliances Between Accountants and Financial Advisers

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Last month I explored the similarities and differences between the typical cultures of accountants and financial advisers. This month I would like to outline some options for accounting firms and advice firms to work together.

In my experience most attempts at “working together” have either been too loose or too tight. The relationship has been too loose where there has only been a casual agreement to provide referrals. Any resulting referrals have usually been spasmodic and not necessarily ideal clients. The relationship has been too tight where there has been joint venture agreements involving equity or where there have been permanent employees. These have rarely been successful for more than a few years as one party has usually outgrown the other.

The goldilocks solution is to form an alliance, with greater commitment than informal referrals and avoiding the pain of permanence. The two critical success factors in forming an alliance are truly understanding the respective client propositions and planning a series of joint activities.

### Understanding Your Client Proposition

Most advisers think that explaining what they do and presenting a brochure will be sufficient for the accountant to understand their proposition. Wrong. In fact it will probably just confirm their misconceptions. Here are some options, each of which involves the accountant experiencing your proposition:

- a. Start with a mutual client. Share the key materials you have prepared for the client with the accountant. It would be a great way to reshape the accountant’s thinking if you could show a mind map of the client’s financial life and share an engagement letter that clearly articulates what is most important to the client.
- b. Invite the accountant to attend the discovery meeting with their latest referral. Imagine what the accountant might learn about you, as well as the client, if they witness your well-conducted discovery meeting.
- c. Offer the accountant a “no obligation” discovery meeting that you will conduct, treating the accountant as a new potential client. Again, the experience of literally sitting in the client’s seat may be a revelation.



## **Understanding The Accountant's Proposition**

Most advisers think that they know what accountants do. Don't rely on assumptions. Plan and execute an exploratory meeting with the accountant where your interview questions will uncover key components of the accountant's business:

- Target clients and market segments
- Marketing plans and growth plans
- Specialist services
- Service models and fee models for existing clients
- Current and past experience with financial advisers

## **Planning Joint Activities**

Most advisers think that "joint activities" means a seminar on the Federal Budget or changes in superannuation rules where both parties present. That just reinforces old stereotypes. Here are some options that are designed to position both parties as experts:

- a. Undertake research together on a client niche that is relevant to you both. Identify clients and other people of influence to interview. Seek to understand their financial challenges, and how you both might address them, and present the findings in a research paper.
- b. Using the research, or otherwise, invite small groups of potential clients to a workshop. The subject matter is their financial challenges so initially you are doing more listening than talking. Your expertise will become evident with the subsequent discussion about your experience with solving their challenges.
- c. Arrange a workshop where the junior members of both firms meet. The format is based on presenting a series of recent case studies so that both groups appreciate the expertise of the other firm.

These are the best of times to find like-minded accountants to share your proposition and better serve their clients.