

Section 2 – the industry now and in the future

3 The Industry Now

The Accounting Industry is large, distorted and in turmoil.

Elsewhere in the developed world, Accountants are focused on making businesses more profitable, with a few specialists providing tax services.

In Australia, if you say you are an Accountant, one of the first questions you will encounter is not “How can you make my business more profitable?” but rather “Do you have the time, and what will it cost for you to do my tax?”

This is the sad consequence of a nightmare tax system and a focus on compliance reporting rather than efficiency. And it is getting worse.

Today Australia has a plethora of Accounting Institutions all focused on extracting dollars from hopefuls who believe qualifications will provide a good livelihood, and a distorted Accounting Industry structure which diverts talented individuals away from the area of greatest need towards areas of perceived relative glamour. Not real glamour, but perceived glamour.

Australia has about 180,000 accountants and 130,000 bookkeepers split between:

- Accountants in industry & commerce – most working as financial gatekeepers rather than profit improvers. Highly trained professionals with one client – their employer.
- Accountants in the tax sector – less than 30,000 Registered Tax Agents (of whom about 16,000 are “Baby Boomers” about to retire in the coming decade), and less than 12,000 Registered BAS Agents (down from in excess of 16,000 a few years back). Plus employees and aspiring Agents. Note the numbers are in significant decline – See Fig #2 below on P6.
- Accountants in the “Financial Planning” sector – a newly invented and perceived glamorous sector where they charge fees for advice to individuals on managing their retirement funds &c. There are some 16,000 Registered Financial Planners. Some suggest that this is a 50% over capacity. Certainly the unseemly way they are desperately seeking alliances with tax accounting practices supports this surmise.
- Bookkeepers working as a salaried employee for the one of the 150,000+ “SME” businesses (defined as having a turnover of between \$2.5m and \$150m), and therefore do not need a BAS Agent licence.

- Bookkeepers working as junior employees in Accounting Practices, and again do not need a BAS Agent licence.
- Bookkeepers working on a "fee for service" basis, with a BAS Agent licence who support some of the 2.7m micro businesses & SMSF's in Australia (defined as having a turnover between \$50k and \$2.5m). The advent of cloud tax and accounting software will spell the reduction of this sector, possibly by half in the coming decade.
- And bookkeepers with no registration with the Tax Practitioner Board, who operate as "cash in hand" illegals for micro-businesses. These, and their clients, are targets for action by both the ATO and the Tax Practitioner Board

The Tax Practitioner Board has provided these population statistics, and I've extrapolated the impact on fee events per category as follows:

Tax Practitioner Board Statistics as at 31st December 2016				
Age	Tax Agents	BAS Agents	Fin Planner	Total
25>30	566 1.91%	240 2.04%	690 5.12%	1,496 2.73%
30>40	5,488 18.52%	1,825 15.48%	3,143 23.34%	10,456 19.05%
40>50	7,541 25.44%	3,962 33.60%	4,014 29.81%	15,517 28.27%
50>60	7,538 25.43%	3,876 32.87%	3,155 23.43%	14,569 26.54%
<60	8,504 28.69%	1,889 16.02%	2,462 18.29%	12,855 23.42%
	29,637 100.00%	11,792 100.00%	13,464 100.00%	54,893 100.00%
Last Year	30,187	11,865	12,641	54,693
Change	-550	-73	823	200

Note: Individual Licences, excludes Nominee Companies

Potential Fee events per year:			
	Tax Agents	BAS Agents	Fin Planner
Individual return	16,250,000		
IAS (1)	2,500,000	2,500,000	
BAS (1)	4,600,000	4,600,000	
Coy Returns	2,300,000		
SMSF Returns	550,000		
Other (2)	200,000		
Financial Advice	200,000		1,000,000
Total	26,600,000	7,100,000	1,000,000
Fee Events per Agent	898	602	74
Last Year	876	598	79
Change	21	4	-5

(1) IAS & BAS can be either BAS or Tax Agent. Assume the market is split 50/50.
(2) Other Returns - Partnerships, Trading Trusts &c

Fig #2 – Tax Practitioner Board statistics

Now, after years of shortage, the Universities and TAFE's are supplying vast numbers of new graduates with accounting degrees. These graduates have little or no experience of the realities of the accounting industry. And, sadly, there is no sign of this reducing.



Further, until recently the Federal Government has listed Accountants as a scarce occupation, allowing immigrants in on the skilled migration programme – this is now being curtailed.

Looking at the specific area of accountants in public practice, there are two aspects to be considered – supply (available capable accountants) and demand (available clients).

The supply side of demand is distorted, with a large group of skilled Tax Agents on the verge of retirement, frequently with unsaleable businesses due to lack of “sale ready” planning. Couple this with an insufficient supply of new Registered Tax Agents to replace them as Gen X, Gen Y and “Gen Next” shun the profession for the perceived glamour and ease of entry of the financial planning sector. The Financial Planning space is now crammed with relatively young, inexperienced new entrants.

The demand side is changing – both through the impact of technology and changes in the economy.

The use of automation and cloud based systems is changing the nature of the demand for services, but until there is a fundamental change in the Government's approach to taxation, significant demand will continue to exist.

My informed view is that we will see a consolidation in the number of tax practices, down from 18,000 (of whom approx. 17,000 are sole-practitioner businesses) to maybe 5,000, with most being multi-partner, multi-skilled businesses.

These firms will be highly focused on the use of the new efficiency dividends afforded by cloud technology and the ATO's increasing sophistication.

I also consider the bookkeeping sector will shrink faster and to a larger extent as bookkeepers are squeezed by a renewed close co-operation between the client and the public practice accountant who will offer more than just tax compliance – back-office services, management advice and a range of other services.

According to a report from the Australian Bureau of Statistics, (8165.0 as published on 31st March 2014 – I haven't found an updated version), in Australia there are:

ECONOMIC ENTITY POPULATION

- There were 2,079,666 actively trading businesses in Australia at June 2013. This was a decrease of 61,614 (-2.9%) businesses from 2012.
- For the 2012-13 financial year, the entry rate (11.2%) of businesses was lower than the exit rate (14.1%) resulting in a decrease in the number of overall businesses.

- The entry rate of businesses decreased by 2.3 percentage points (-48,292) from 13.5% to 11.2% for the 2012-13 financial year. This was after a decrease of 0.4 percentage points (-6,689) in the 2011-12 financial year.
- The exit rate of businesses increased by 1.0 percentage point (22,190) from 13.1% to 14.1% for the 2012-13 financial year. This was after a decrease of 0.4 percentage points (-7,795) for the 2011-12 financial year.
- In terms of business survival rates, of the 2,050,642 businesses operating in June 2009, 86.9% were still operating in June 2010, 77.4% were still operating in June 2011, 69.9% were still operating in June 2012 and 62.9% were still operating in June 2013.
- Of the 342,753 new business entries during 2009-10, 73.1% were still operating in June 2011, 57.7% were still operating in June 2012 and 47.5% were still operating in June 2013.

With regard to the size of these businesses, the ABS reported:

ANNUAL TURNOVER SIZE RANGES

- At June 2013, there were 556,504 businesses operating in the 'Zero to less than \$50k' turnover range, 718,005 businesses in the '\$50k to less than \$200k' turnover range, 672,150 businesses in the '\$200k to less than \$2m' turnover range and 133,007 businesses in the '\$2m or more' turnover range.
- During the 2012-13 financial year, entry rates were highest for businesses in the '\$50k to less than \$200k' turnover range (15.0%), followed by businesses in the 'Zero to less than \$50k' turnover range (10.9%).
- Exit rates were highest for businesses in the 'Zero to less than \$50k' turnover range (22.1%), followed by businesses in the '\$50k to less than \$200k' turnover range (14.9%) in 2012-13.
- In 2012-13, exit rates were lowest for businesses in the '\$2m or more' turnover range (3.8%), followed by businesses in the '\$200k to less than \$2m' turnover range (8.0%).

And with regard to the entities:

TYPE OF LEGAL ORGANISATION

- At June 2013, there were 722,198 'Companies' in Australia, followed by 564,869 'Sole Proprietors', 481,730 'Trusts' and 310,296 'Partnerships'. There were a relatively small number of businesses operating in the 'Public Sector' (573).
- 'Public Sector' includes Public Trading Enterprises only. Therefore, it excludes General Government, Police Services and Fire Protection and Other Emergency Services.
- During the 2012-13 financial year, the entry rate was highest for 'Sole Proprietors' (12.9%), followed by 'Companies' (12.2%), 'Trusts' (10.6%), the 'Public Sector' (8.2%) and 'Partnerships' (6.6%).
- During the 2012-13 financial year, the exit rate was highest for 'Sole Proprietors' (19.9%), followed by 'Companies' (12.8%), the 'Public Sector' (12.5%), 'Partnerships' (11.8%) and 'Trusts' (10.1%).
- The survival rates at June 2013 for businesses operating in June 2009 were highest for 'Trusts' (70.8%), followed by 'Companies' (66.6%), 'Partnerships' (64.4%), the 'Public Sector' (62.8%) and 'Sole Proprietors' (52.4%).

What these numbers tell us is that the economy is performing normally – a regular amount of ownership “churn” These businesses require support for their tax matters and, many times, also the BAS and other matters. In addition

the population is increasing – there are now some 16.25m individual returns being prepared each year, of which now only 4.5m are “simple wage and salary earners” – these may well be “automated” by the ATO – following the lead of other nations such as the UK and NZ. The others are more complicated, with share portfolios, investment properties, trusts, maybe small businesses or SMSF’s. As a consequence there are a large number of clients looking for accounting services.

So where to from here?

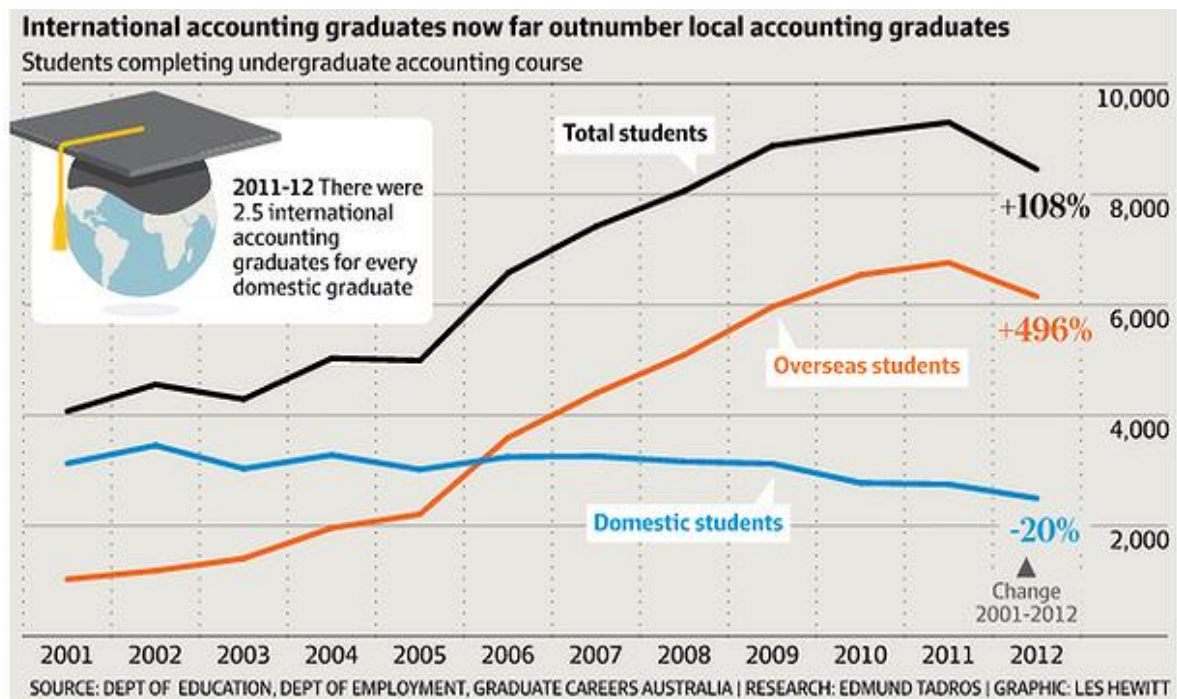
Did you see this article that appeared in the Sydney Morning Herald in February 2014?

Does Australia have too many accountants?

Business

Date February 12, 2014

Edmund Tadros and Agnes King



Source: AFR

It used to be one of the safest career choices. But while Australians are deserting the accounting profession, an avalanche of foreign accounting students has hit our universities, prompting a fight between the government and big firms about how many accountants we actually need.

The number of Australians studying accounting has fallen 20 per cent since 2001, with foreigners now vastly outnumbering local graduates.

The number of international graduates finishing undergraduate accounting degrees skyrocketed by 500 per cent between 2001 and 2012.

Indeed by 2012, there was just one local graduate for every 2.5 international graduates, *The Australian Financial Review's* analysis of university course data shows.

The lack of interest by local students in accounting comes as the federal government and the peak accounting bodies argue over how hard it is for accountants to get a job.

The Department of Employment says there is no shortage of accountants in Australia and has called for accounting to be taken off the Skilled Occupation List for migrants.

Big accounting firms report little difficulty in filling positions but also say they are selecting candidates with broader experience in psychology, engineering, technology and economics.

"A shortage of accountants is not something we have experienced," said PwC's human capital managing partner, Debra Eckersley.

"It's not hard [to recruit] in the current market," said Pitcher Partners HR director Elizabeth Nunez. "Large organisations are not putting on the volume of graduates since the financial crisis, so we can afford to be more selective."

In contrast, the peak accounting bodies say there is a shortage of accountants especially in "regional, rural and remote areas".

Being able to parlay a university course into citizenship and a career in Australia is one of the main selling points of local accounting courses.

"The DOE's submission, with a focus on the immediate term, is the sole voice calling for accountants to be removed from the Skilled Occupation List," a CPA Australia spokesman said.

In the past five years, around 40,000 migrants have entered the country through the accounting skilled stream, dwarfing the numbers entering with other types of priority skills.

During the same time, accounting graduates have found it harder to get a job. Data from Graduate Careers Australia shows 80 per cent of domestic accounting graduates were working full-time four months after finishing their course in 2012, compared to 93 per cent in 2001. This is still higher than the employment rate of all bachelor-degree graduates.

Caution advised

Accounting has already been flagged by the Australian Workforce and Productivity Agency, which develops annual advice on the skilled list for the Department of Immigration and Border Protection, as an occupation now considered a "borderline" inclusion on the list. The agency is doing a special investigation in the supply and demand for accounting skills.

University of NSW head of accounting Professor Peter Roebuck advocates caution. He said while "it is wrong to promote [accounting] to overseas students with local job prospects not particularly strong, this assumes that overseas students come here for the prime purpose of getting permanent residency".

Many Asian students study in Australia to improve their job prospects back in Asia, Prof Roebuck said.

Firms have no interest in having accounting struck off the list and prefer to hire locals as it is cheaper and lower risk.

Grant Thornton head of HR Kim Schmidt said the firm "is confident that we will be able to get our graduates from local sources".

But PwC's Ms Eckersley says "the more sources which help us attract the best talent, the better".



Ms Nunez worries supply will tighten up again if business confidence lifts and companies start putting on additional resources.

CPA Australia and the Institute of Chartered Accountants argue that international accounting students are “a critical source of future labour supply” for Australia.

The government currently lists four types of accountants – accountant (general), management accountant, taxation accountant and external auditor – as being eligible for migration to Australia.

UNSW has an almost record enrolment in first-year accounting with over 1700 enrolled at present. Its record was 1800 in 2010.

The message is simple – too many inexperienced graduates washing around in a system ill equipped to absorb them. And no recognition of the “demographic cliff” that faces the industry as the Baby Boomer generation retire.

A further factor is that, despite senior staff expressing misgivings in private conversations, more firms are “outsourcing” and “offshoring” mundane work to cheaper locales – The Philippines, India, Bangladesh &c, denying the next generation a chance to learn on the job. We are hollowing out the industry with this practice.

It is obvious that there has been mismanagement of the public practice population by the various levels of government – both Federal and State – and by the various Institutes regulating the industry.

In particular,

- The Government do not see it as being their responsibility to ensure a complete supply chain is adequately stocked with the appropriate staff, despite the ATO identifying the matter as one of concern last decade.
- The Federally-based Tax Practitioner Board is constantly “raising the bar” and making entry more difficult for Registered Tax Agents. It is rapidly evolving into a compliance-focused organisation focused on seeking reasons not to register applicants, and to de register existing Tax Agents who do not meet their “one size fits all” model.
- The Institutes, with the notable exception of one, the Institute of Public Accountants, have evolved from being member support structures into bureaucracies focused on garnering fees for education product and accreditation.

No-one has taken a holistic view and sought a solution.

I have had the opportunity to be exposed to the issues from a number of aspects, having:



- Arrived permanently in Australia in 1998, and having to convert from a profit-enhancement to a tax minimisation focus.
- Sat on the ATO's Tax Practitioner's Forum, the ATO's Bookkeeper Advisory Group and attended the ATO's Accounting Body CEO Forum.
- Attended the Tax Practitioner Board's Consultative Forums.
- Built a bookkeeping business supporting 968 small businesses and seeing the paucity of support for those owners, the difficulties they have in coping with the multi-tiered and labyrinthine bureaucracy, and the increasing demands for compliance to an even tighter regimen.
- And now the SA&A network is growing – from three offices in April 2010 to over 20 today, with more in the process of joining us, servicing 5,233 business clients (as at 30th April 2017) and uncounted individuals.

I have also seen at first hand the cottage-industry like organisation of the vast bulk of practitioners in public practice. Craftsmen and women, proud of their trade, proud of their name, and with their shingle loudly proclaiming “Bill Bloggs, CPA” or “Fred Nurk, CA”, “Mike Smith, MIPA”, their adherence to their own unique way of doing things, filing, systems.

In the past decade the Institute of Public Accountants has sent their reviewer to the two public practices businesses my wife and I operate, and each time they have commented about the systems, procedures, software and branding. And taken ideas from us to show other sole-practitioners – with our permission.

Through SA&A I am seeking to make a small but important change to the accounting landscape.

4 The Future.

Currently there are almost 18,000 public practice accounting businesses in Australia.

Within two decades a former ATO Commissioner posited there will be no more than 8,000, with many more being multi-office, networked or working purely in the cloud. I would suggest the number will be closer to 5,000.

Currently the vast majority of practitioners work in sole-practices, with their name on the shingle, their own developed systems (within the constraints imposed by their institutes and the range of software available), and sell their fees when retiring rather than the business.



And there are a plethora of bookkeeping & accounting software offerings to complicate the space. Do you specialise or generalise, focus on one product or support many? And if you opt for one, which and will it support all your client needs? If you support many, how will you ensure an adequate knowledge base?

The days of uncertainty in this field are drawing to a close as more of the terminal software (tax, SMSF &c) will draw data from any mainstream bookkeeping / accounting product.

But you still need to know which offering is best suited to your client's needs, and assist with the set up. There are many offerings, and each year there are start-ups seeking to enter the space. See **Fig 3** below.



**The Smarter Advisory & Accounting
view of the Australian software market**

Supplier	MYOB	Reckon	Sage	Xero	Intuit	Other
Market Share						
Clients - Accounting	1,300,000	700,000	??	350,000	150,000	??
Clients - Tax	4,500	4,500	7,200	1,440	200	160
Desktop Accounting Software						
Cashbook	MYOB Essentials	Easy Start / Personal / Home & Business	n/a	n/a	n/a	n/a
Single User	Acct Right Standard	Accounts	n/a	n/a	n/a	Around 5 > 10 minor suppliers
Single User & Payroll	Acct Right Standard	Accounts Plus / Pro	n/a	n/a	n/a	n/a
Multiusers	Account Right Premier / Enterprise	Enterprise	n/a	n/a	n/a	n/a
Payroll Specialist	n/a	Payroll Premier	n/a	n/a	n/a	n/a
CRM	n/a	n/a	ACT	n/a	n/a	n/a
Asset Management	a/a	Asset Manager	n/a	n/a	n/a	n/a
Point Of Sale	MYOB POS	POS Lite / Professional / Enterprise	n/a	n/a	n/a	Handful of specialise suppliers
Cloud Accounting Software						
Cashbook	Essentials	Reckon One	n/a	Xero	QuickBooks	Numerous start-ups
Full accounting	Account Right Hosted	Accounts Hosted	n/a	Xero	QuickBooks	Numerous start-ups
Tax						
Large Firms	AE (formerly Sol6)	APS	n/a	n/a	Lodge It	n/a
Small Firms	AO (formerly TeleTax)	Elite	Handisoft	Xero Tax	Lodge It	Around 5 > 10 minor suppliers
Entity Formation						
	MYOB Company Docs	Reckon Docs	n/a	n/a	n/a	n/a
Cloud Storage						
	Built into cloud products	Virtual Cabinet (UK, Aus, NZ) & Smart Vault (USA)	n/a	Built into Xero	Built into QuickBooks	n/a

Fig #3 – The Software environment (March 2018)

We've taken an approach that makes sense to us, and may to you as well – we recognise that the accountant can advise a client as to their choice of accounting software, but cannot enforce that recommendation (at least until they've moved into the trusted advisor role with the client). Our current (March 2018) software suite looks like this:

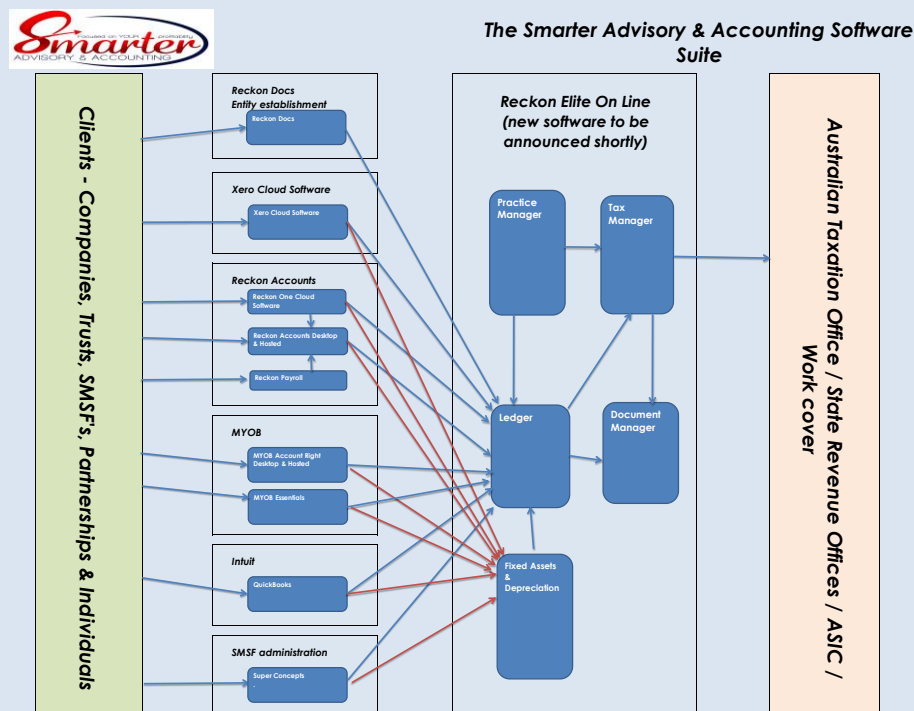


Fig #4 – Software suite

The future is for public practice offices to align with a common branding, using well-developed systems so that the business becomes “walk in / walk out”, with support from elsewhere in the network for the new owner.

Until recently almost all practitioners used desktop software, relying on clunky servers and regular complicated software upgrades. Today, in conversation with the main suppliers of tax accounting software, I'm informed that already it has passed 50 / 50 desktop / cloud.

Within the decade the majority of the Gen X and Gen Y practitioners who replace the Baby Boomers will have moved to cloud based software – no servers required, no complicated software upgrades.

Currently in almost all offices, if the practitioner were to share a file with another, it is exported, emailed or Drop Boxed, worked on then returned.

Now we can switch a file by merely changing three tags on the file in the cloud. Rockdale, NSW can have a file audited in Melbourne or Sydney. Perth can compare notes with the Gold Coast.



Currently most practitioners work in relative isolation, only comparing notes and experiences with their peers at educational seminar coffee breaks or Institute-sponsored "Discussion Groups".

Now we can work collectively, collegiately, as we are not competing for business – we are working to keep all the clients of our brand, our system, satisfied. But we each own our own business in the network, each earn our own profits, based on the support, systems, and fellowship of the network.

No – the future is not like something out of "The Matrix" – it is here now, in Smarter Advisory & Accounting.

The rest of the industry will be where we are now in a decade. Where we will be is yet further ahead as our systems undergo continuous improvement.

So who are we and what do we do?

In September 2009 Beth & I set up as Small Business Accounting Australia, as a brand owned by our company, REB Pty Ltd, and then set up the first three offices in April 2010. In March 2018 we recognise that our model has evolved, so we're changing the name to Smarter Advisory & Accounting, with the theme **"We've moved from Small to Smarter"**

As Pictures speak louder than words – herewith below



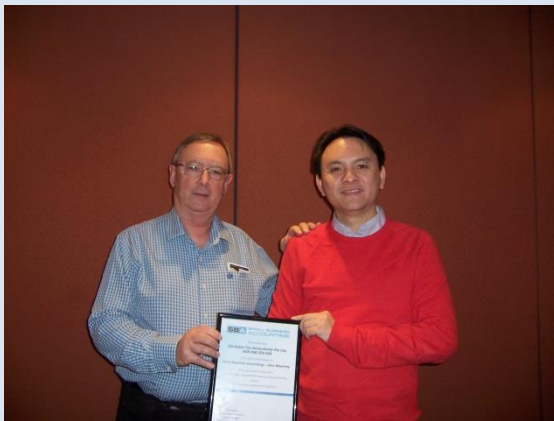
Above – SA&A Parramatta, Sydney



Above: the attendees at a recent Conference overseas



Left – members attending the Dec 2014 Workshop held at the Mantra Hotel in Melbourne.



Above left - a member, Samuel Lai from SA&A Glen Waverley, Vic receives his membership certificate

Below: John McAlister – the ATO's Assistant Commissioner Digital Messaging & Adoption at our May 2017 Conference at the Novotel, Surfers Paradise



Below – Paul Douglas from SA&A Joondalup, WA receives his Award for Outstanding Technical Achievement



Above - Steve Nolan from SA&A Blackburn & Vermont, Vic displays his new Tax Agent Registration.

Below – a member now “Tax Agent Registration Ready” (she’s now a Registered Tax Agent)



Below, Veronica Aye from SA&A Strathfield, NSW receiving her Award for Improved Technical Knowledge



“I could be working in a huge accounting firm, but actually I just enjoy the personal touch and the lifestyle that SA&A has given me” – Paul Douglas, SA&A Joondalup, WA

We are the future of public practice accounting, the pioneer in the use of technology and the building of a 21st Century culture.



Member Selection

From the outset, we have sought to be the premier taxation, accounting and advisory network in Australia. Not in size, but in quality.

This requires careful selection of our network members. Our network model is aimed at attracting self-motivated professionals who have the drive and determination to grow a successful business. Our selection criteria are comprehensive and the selection process rigorous.

We seek candidates who:



- Are already either a Registered Tax Agent, formally qualified accountant or a bookkeeper of considerable experience & educational qualifications, who will be able to meet, at a minimum, the BAS Agent criteria.
- Have good computer literacy and strong accounting software skills.
- Have a good understanding of accounting principles.
- Are team players and have an alignment to our core values.
- Have ambition and determination.
- Are personable, communicative and well presented.

Location

Each member office has its own designated territory within which network members can market and promote their services.

Each territory has been defined using a number of different criteria, all of which ensure that network members have the ability to develop a substantial business.

"...it also operates from retail premises – that makes it very approachable and attracts a lot of new clients". – Mario Armaly, SA&A Rockdale, NSW

Home or Office Based Business

The SA&A model allows you to:

- **Start your business from a home office to save on start-up costs**
- **Maintain paid part-time employment during start up to aid cash flow**
- **Grow your business at your own pace**

In Australia and other parts of the globe, some systems require that members start from day #1 with a "shop front" office – typically located in a secondary shopping strip or adjacent to a shopping mall. The costs in Australia make this prohibitive for a start-up business. Instead we offer you the flexibility to start your business in a manner which suits your need, and with the rapid evolution of cloud collaboration, the need for "shop fronts" has diminished.

We understand that network members evolve through several operational models as their businesses grow, and will work with the member to ensure they operate appropriate systems & procedures, and the appropriate business model for their stage of growth.

It is the stated ambition of SA&A to ensure that each of our network members who aspire to, grow from the initial small home based businesses to office based businesses employing multiple staff (or outsourcing work to newer members of the network), and provide the initial training, on-going coaching and tools to so do.



SA&A is committed to supporting, encouraging and coaching network members in growing their businesses – at any and all stages of their business growth cycle.

We are committed to maintaining the flexibility and support that allows each franchisee to grow their business at their own pace, while maintaining the highest possible standards of quality and service you would expect from an international organisation.



SA&A Member Training

Joining our network provides access to a mentoring and coaching programme, supported by regular technical updates, for the duration of your membership.

Some systems will boast of two weeks, or even six weeks training. What in? We take qualified accountants and do not insult them by revisiting basic accounting. Instead we focus on the areas of importance – how to build your business, how our system works, and how to use the core software that binds us all together.

We provide new members with this initial training, in their own home or office, or a nearby hotel. The training covers many facets of the SA&A network model. Some of the key elements include:

- Training in our cloud-based ledgers and tax software.
- Coaching and training in Business Development.
- Marketing and customer service.
- Creation of a tailored business plan, and on-going monitoring & mentoring.



- Creation of a tailored marketing plan, and on-going monitoring & mentoring.

The initial intensive mentoring & coaching period allows the National Support Office staff to work closely with the new member to execute the tailored business & marketing plans.

This period offers network members intensive National Support Office support to help firmly establish the business in the given territory.

After the completion of the initial training period, network members move into the lifetime mentoring & coaching period.

Once the business is established, there continues very regular interaction – both on a monthly cycle and an annual business plan review.

Over and above this, the National Support Office staff are available for support at any time and are committed to ensuring the success of each member.

“If we had set up on our own we would not have had that strength to help us become established.” – Sultan Kakar, SA&A Parramatta, NSW

Technical & On-going support

The SA&A approach is to combine extensive research and support from the National Support Office with the free interchange of ideas between network members throughout Australia.

The National Support Office staff will regularly supply technical updates both through email and through uploads to the secure IP area of the website.

One of the most important aspects of the SA&A philosophy is to encourage free interchange of ideas and experience between network members.

SA&A has implemented a range of support mechanisms designed to ensure network members have easy access to necessary support tools and opportunities for free exchange of ideas & experience between network members.

Meetings – Annual Conference, Annual Workshop & State-based meetings.

Professional development programs are based on a pre-Christmas Workshop in Melbourne and an inter-State Conference elsewhere in Australia during May / June each year. In addition, members in each State have State-based meetings in March and September to assist members grow their knowledge and work towards their individual business goals.

The Workshop and Conference will generally cover topics including:

- Updates on new software and legislative requirements.
- Administration of special projects such as rebates or subcontractor / employee agreements
- Ongoing business development activities to win work for network members.
- Industry related information from the tax authorities.
- Keynote speakers.
- Sales technique training / information.
- Marketing training / information.
- Network support & recognition.
- Formal Dinner.
- A range of social activities.



Above: an Awards Night dinner at One Fitzroy Street in Melbourne.

Below: a member awarded for her Technical Knowledge Growth.





Communications – emails, Skype, phone and face-to-face, and now a dedicated Facebook page.

The Members Technical Forum is a major support tool. Network members email any technical queries they need answered to the National Support Office who either answer or pass to a member with the particular expertise. Everyone benefits from the shared experience of our network. Alternatively, using the experience register, they can contact direct other network members who have relevant experience.

Software Supplier's Professional Partner memberships.

The National Support Office provides the initial port of call for any technical issues, with two Registered Tax Agents on call. Thereafter, the Professional Partner memberships maintained by SA&A provide access to product technical support from the software providers during business hours at no charge.

As well as product technical support, members receive copies of the latest software from selected suppliers along with any updates / upgrades that are issued during the course of the year.

All members are provided access to Professional Partnerships with both MYOB and Reckon. Many also have close linkages with Xero and Intuit.

Marketing & Events.

National Marketing – Brand development.

Effective marketing is the key element that is critical to the growth of any business. We have implemented a number of national and regional marketing initiatives designed to increase business for all our network members, such as radio and magazine advertising as well as a significant investment in website SEO.

Local Marketing support.

As mentioned before, the National Support Office will provide a template to facilitate the development of a tailored marketing plan by new network members.

Over and above this, the operations manual contains a wide array of marketing material designed to assist network members in conducting ongoing local campaigns. Included in the kit are:

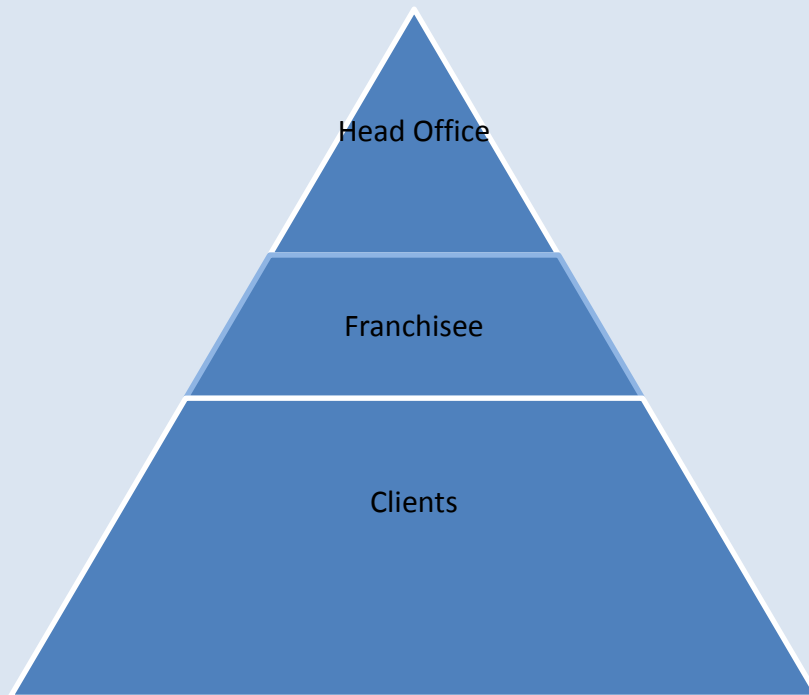
- Templates for newspaper ads
- Flyers for letterbox drops
- Letters of introduction to local businesses
- Hints and tips
- Magnetic car signs – customised for your territory

We also encourage members to have their own landing page website (built to SA&A standards), linked to the main website.

**“...OMG – have just spent ages looking at the secure website area and ALL THE DOCUMENTS!!
– this is an amazing & fantastic resource.” – Gail Rundle, SA&A Northern Rivers, NSW**

A FRIENDLY, SUPPORTIVE SYSTEM.

Conventional Accounting Franchises



The SA&A focus:

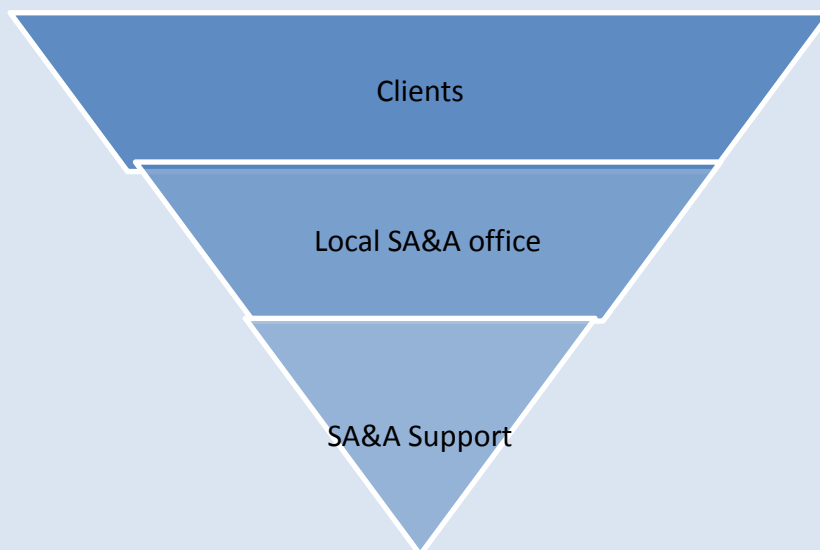


Fig #5 – Support Office rather than Head Office



Franchise or Go It Alone?

While there are some advantages to going it alone and starting a business from scratch, primarily in short-term cost saving, there are many advantages network members, have over private operators that add solid benefits to the reason why you should choose a franchise model.

Throughout this document we have aimed to give you an exposure to the main benefits members enjoy when they become part of the SA&A network, but, just to re-iterate, here are some of the advantages of going for a franchise over going it alone.

"The SA&A system, the database, and the experience of the members makes all the difference and enables me to meet the needs of clients on a timely and cost effective basis"
– Steve Nolan, SA&A Blackburn & Vermont, Vic

Established Systems & Procedures

The existing network members have already trialled many systems and procedures, and the National Support Office can assist you in avoiding the ones that don't work as well as providing ones that do.

Thus you learn painlessly from the mistakes of others. Potentially this will save you many thousands of dollars.

Access to software & systems

We migrated as of 1st July 2013 to a cloud-based tax accounting solution – the second group in Australia to utilise this product.

Previously, SA&A has access to big end of town server-based software at a remarkably low cost, but with concomitant support requirements.

This migration has provided significant efficiencies.

Now we are about to announce the next migration – to a true, 21st Century developed system.

If you are not a Registered Tax Agent or BAS Agent you cannot get access to these systems, or to the Professional Partnerships we have developed over the years.

Support from a Network of Experienced Peers.

There is the comfort of having access to the support network made up of experienced members, both here and overseas. Within our network, we have members who are experienced on virtually all versions of the major accounting software brands, and industry types.

So if you take on a client that's using software that you haven't had exposure to, or is in an industry with which you are unfamiliar, it is reassuring to know that there's likely to be another franchisee who will be able to help you.



A Recognised Brand

This is probably the major reason why franchises exist today. The undisputed power of a recognised brand behind your business is a clear advantage for anyone going into business.

SA&A has the presence to give your business the added clout a private operator just doesn't have through such as:

- Easily recognised brand / logo
- The Smarteraa.com.au website with links to network members individual web pages
- National 1300 contact number – 1300 843 354
- National brand awareness campaigns

All these points add up to a much better resale value when you come to selling your business.