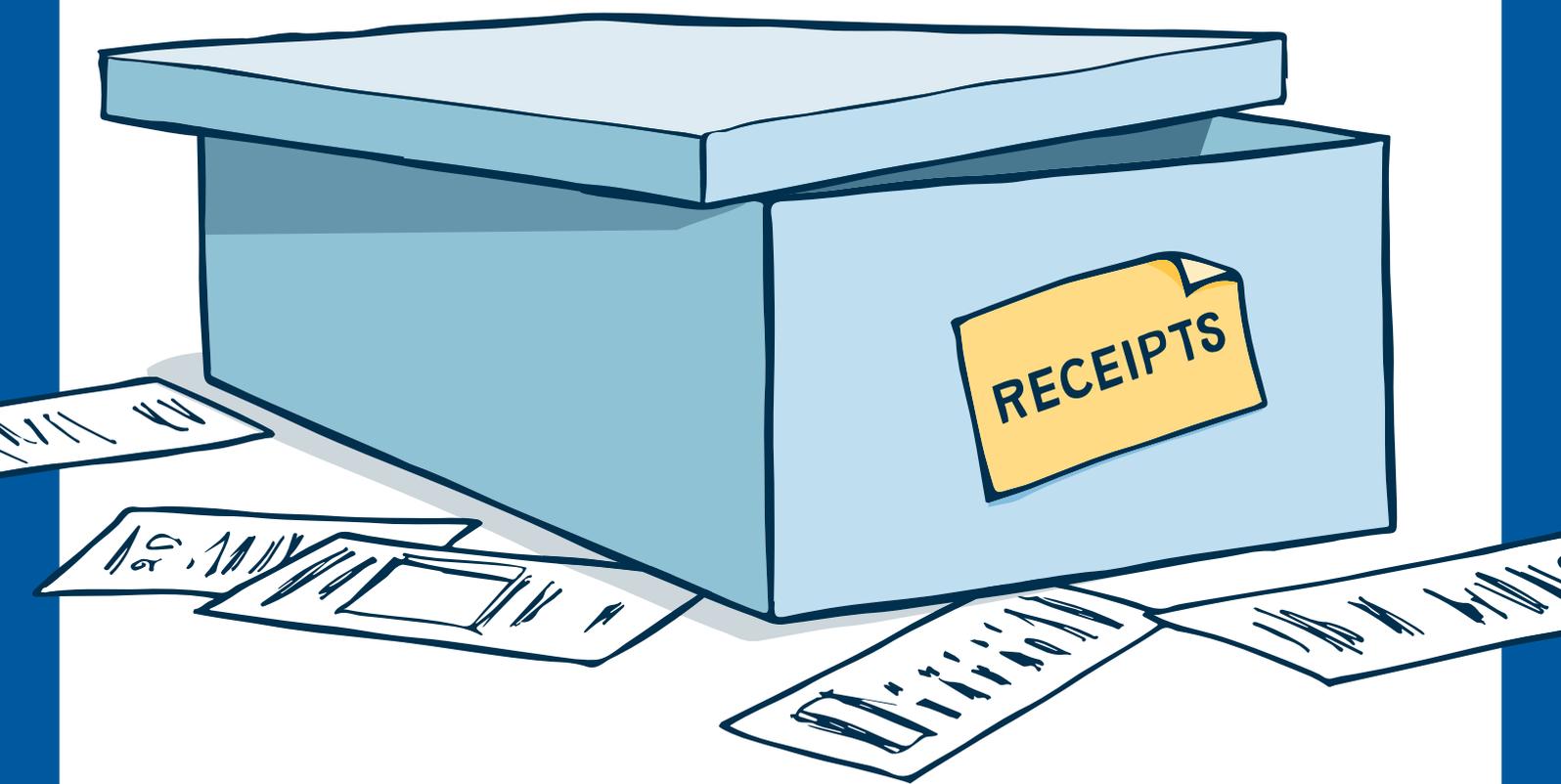


Banish the shoebox, not the client

Building great relationships with small business clients



Introduction

Many accountants in practice dread January. On top of the general rush, it's the time of year when we become reacquainted with our 'shoebox clients'. These clients are often very small businesses whose primary focus is on the immediate running of their business and finding time for bookkeeping can take a back seat.

When January dawns and the filing deadline looms, they look to you for help and support. Unfortunately this often means that they deliver their receipts to you stuffed in shoeboxes or carrier bags.

Of course you're committed to supporting them, and as a result you're left working late into the night and against the clock. This can leave you wondering how profitable it really is to work the longest hours for your smallest clients, but it doesn't have to be like this!

These smaller clients can be a profitable part of your business if you take a different approach that's tailored to how these clients work. Using a cloud accounting solution like FreeAgent that's specifically designed for small businesses, you can automate or simplify your client's bookkeeping processes and banish the shoebox forever.



A graduate of the University of Cambridge, Emily Coltman FCA has been working with small businesses for the past 13 years and is passionate about helping their owners lose their fear of "the numbers" and the taxman.

As Chief Accountant of FreeAgent, Emily continues her work to demystify accounting for small business owners, and to promote the benefits of good financial management. She is the author of three e-books, "Finance for Small Business", "Micro Multinationals", and "Very Awkward Tax".



Create a different service for a different kind of client

While your larger clients may be happy to pay a monthly or hourly fee for your ongoing services, smaller clients may feel that they can't commit to a regular service, and so only want your services once a year for their Self Assessment return. Unfortunately, this often means that the first time that you see their books is just a few weeks before the filing deadline, leading to a high-pressure scenario for both you and the client.

Receipt processing services

Simply post the physical receipts and bills to one of these services or send a photo via their app, and they will process the receipt details which are automatically entered into the client's cloud accounting software.

Receipt Bank —

Best for: all clients

Pricing: from £9/month

Website: receipt-bank.com

Xpenditure —

Best for: small businesses with multiple users managing expenses

Pricing: from £5/user/month

Website: xpenditure.com

Keebo —

Best for: all clients

Pricing: from £5/month

Website: keebo.com

A 'do-it-yourself' Self Assessment package

Instead of taking on last-minute clients as part of your regular practice, consider offering a fixed-fee "Self Assessment" service tailored to small businesses who are willing to scan their own receipts and enter their information into a cloud accounting system throughout the year.

If they've got a manageable number of receipts and bills, then **the client can take a photo of each receipt on their smartphone** and record it directly into a cloud solution like FreeAgent. For clients with a higher volume of receipts a simple alternative could be that they post their physical receipts and bills off to a third-party service like Receipt Bank, or automate the creation of expense reports from photos of their receipts uploaded into a service like Xpenditure. These services can then import the expense information directly into the client's accounting software - no late nights required!

As well as tracking expenses, **clients can create and send invoices from within FreeAgent**. As these are all created from within the software every invoice is automatically recorded and provides a complete overview of revenue.

Consider early-bird discounts and premium pricing for rushed clients

Once you have a "do-it-yourself" package, you can offer incentives for clients who sort out their data early, and potentially even charge a premium price for those who have left it to the very last minute. This gives you much more flexibility in your pricing, and incentivises your clients to beat the January rush!

Make light work of data entry

A “do-it-yourself” approach for smaller clients relies on making it as simple as possible for them to enter their data - both at the crunch time in January, and then ongoing for the rest of the year. But wait - your clients may already be struggling to manage their books as well as generate business, so how could the client entering data ever work? Luckily, there are aspects of cloud accounting that you can offer that should make a big difference.

Automate incomings and outgoings

The easiest way to keep your client's books up-to-date is to set them to update automatically. Using a cloud accounting service like FreeAgent, **you can set up automated bank feeds that will download any new transactions daily**, and even auto-suggest categories for any transactions that it recognises from previous entries.

With income and expenditure recorded in the system, your client only needs to check a list of existing transactions, rather than keying everything in themselves.

Support clients on the go

When your client is managing the data entry, it's crucial to make the day-to-day bookkeeping as simple as possible. They may often be on the move, so a great option is to make it convenient for them to update their books at a place and time that suits them. When **the client can just snap a photo of their receipt on their smartphone and record it immediately**, that prevents a backlog from ever building up.

Let the software fill in the Self Assessment form for you

When it comes to Self Assessment time, make the actual form-filling process even easier by using tax-friendly cloud accounting software like FreeAgent. Using your client's bookkeeping data, FreeAgent can complete 90% of the boxes on the Self Employment forms automatically.

You can then **collaborate in real time with your client by working from the same Self Assessment form** within FreeAgent - the client can fill in the additional fields themselves. However, you can check and approve the entries and retain control over the actual filing to HMRC.

When you and your client are working from the same form, there's less opportunity for confusion and a lot of time saved swapping spreadsheets or backups.



Build a steady income stream for next year

When 31st January has passed and the taxes have been paid, you're in a great position to offer a valuable ongoing service to your new "do-it-yourself" clients. Their bookkeeping data is now automated, easy to update, and instantly visible online for both you and the client.

Focus on business advice, not receipts and admin

You can then move the clients onto an ongoing "do-it-yourself" monthly or quarterly service, complete with pricing that allows for the reduced burden on your own practice. Because the client is managing their books day-to-day, you can take a business advisory role, focusing on regular check-ins and providing advice.

Use client dashboards to spot warning signs early

Using a dashboard like FreeAgent's Practice Dashboard, you'll easily be able to keep an eye on all of your client's books, being able to easily switch between different businesses' records. You can set alerts so that you can quickly spot anyone who is falling behind on their bookkeeping, or catch potential errors before they go too far. With this information to hand you'll be able to give your client a quick call and get them back on track.

Spread the income over the year

By shifting to a monthly service, you're saving your client from paying a one-off lump sum for a last-minute service, and you'll build up a steady income stream that does most of the management itself. You can build an ongoing relationship with them, and as a valued supplier the service that you provide can grow as their business needs grows.

Cloud accounting can make small business clients work for you

There are a growing number of small businesses out there who are very comfortable working online, and they need a friendly accountant who provides a service that suits their needs and budget. By offering these clients a dedicated cloud accounting package that's specifically designed for small businesses, you can meet their needs and build a profitable revenue stream for your business.

By taking advantage of automation tools and third-party services, you'll also help to avoid the last-minute rush in January - and can hopefully get your evenings back every New Year!

For further information

Call **0800 025 3900** or visit www.freeagent.com/accountants

Disclaimer

Although we have made every attempt to provide accurate information, FreeAgent assumes no responsibility for the accuracy or completeness of this information. Use your best judgement when considering how this information applies to your own accountancy practice - FreeAgent will not be liable under any theory of law, for any indirect, incidental, punitive or consequential damages resulting from your actions after reading this information.



manage their
day-to-day
bookkeeping ↘



FreeAgent

Your clients can:

Attach scanned receipts to their expense entries. Upload from their computer or directly from their mobile.

Easily create, send and track professional, great-looking invoices for their customers. Manage payments and set alerts to chase overdue invoices.

Set-up automated bank feeds to download new transactions daily. FreeAgent will also suggest an explanation for categorisation based on previous entries.

Access a double-entry accounting solution which is designed for the end user with an easy-to-use interface. No prior bookkeeping and accounting knowledge required!

Check in with your
clients every day ↘

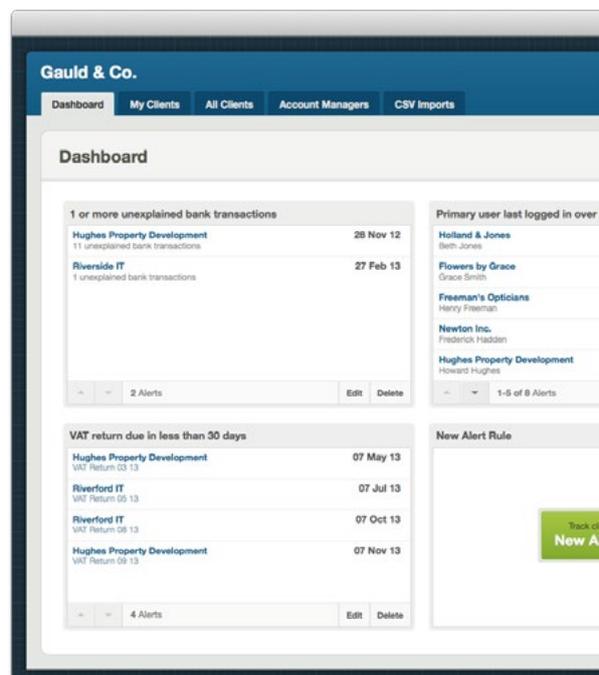
For your practice

Quickly and easily access all clients' records via the Accountant's Dashboard. Check in on the status of all your clients in one place.

Work closely with your clients in real time, whilst keeping an eye on their accuracy. Set up proactive alerts to flag anytime a client may be making errors.

Cloud based, no software updates to install. You can collaborate with clients on the same numbers, no more swapping spreadsheets!

Mobile and tablet interface. Allows both you and your clients access whilst on the move.



Find out more at freeagent.com/accountants

Banish the shoebox: 7