

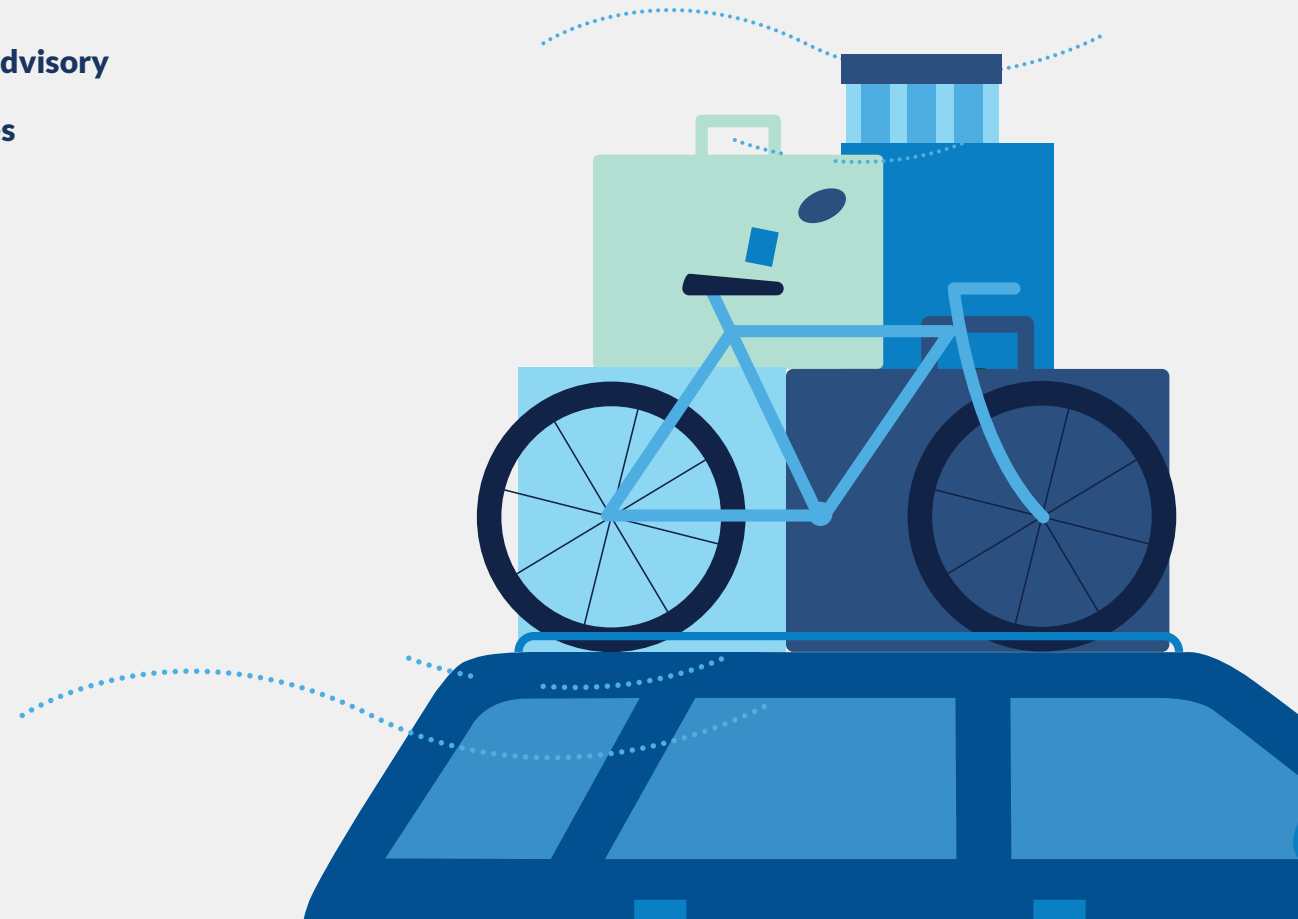
The Road to Advisory

Guide to Defining & Packaging Your Bookkeeping Services



Table of contents

1	Why defining and packaging your bookkeeping services is important for advisory
2	Step-by-step guide for defining, documenting, and packaging your services
3	Understand client needs
4	Define your services
5	Document your procedures
8	Price & package
10	Go-to-market
11	Providing the whole package
11	Additional resources
	Acknowledgments



Why defining and packaging your bookkeeping services is important for advisory

Taking the time to properly define, document, and package your firm's service offerings is a critical step for any accounting or bookkeeping practice – especially for those who are on the road to advisory.

Before offering advisory services, it's important to develop a comprehensive understanding of what your compliance and advisory services entail, for both your firm and your clients. While the scope of many compliance services is often more cut-and-dried, there is some ambiguity with regard to advisory – e.g., what exactly does cash flow forecasting involve, and what can the client expect as an output from this type of service?

Clearly defining your services and how they are executed will establish a structure that your firm and clients will work within, which helps to ensure:

- **Clarity** – Both your staff and your clients will understand what is expected throughout the engagement, which is critical for improving client relationships.
- **Consistency** – Even for small firms, documenting your services will ensure that a consistent quality of service is maintained, regardless of which staff member is executing and the client they're working with.
- **Control** – A challenge that is sometimes associated with advisory services is scope creep. Defining and documenting your services will make it easier for all types of advisory to stay within scope, enabling your firm to continue to operate efficiently.

As such, structuring your firm's services will allow you to eliminate much of the ambiguity and friction that might surface when transitioning to advisory. Defining your services will also create a number of benefits for your firm, including:

- **Opportunities for upsell** – We recommend that defining and packaging your services should result in tiered pricing and packages (more details on this are provided later in this document). If a client starts with a lower-tier package, having a clearly defined “next step” will enable them to continue growing with your firm if they’re satisfied with your level of service.
- **Growth and scalability** – In addition to potentially growing revenue through client upsell, the standardization that comes with defining your services will make it easier for your firm to operate efficiently, and therefore scale in other areas (i.e., by spending less time gathering high-quality data, and more time analyzing it to provide relevant insights to clients).
- **High quality advisory** – If you’re just starting to formally offer advisory services, the clarity, consistency, and control that comes with defining and packaging your services will result in high-quality output, and with this, better partnerships with your clients.

Step-by-step guide for defining, documenting, and packaging your services

This guide will provide an overview of how to define, document, package, price, and go-to-market with your bookkeeping services, with a focus on how to do so in a way that will set you up for advisory success.

Whether you're just starting out, or are a well-established practice looking for more clarity on how to move into advisory, we recommend you follow the steps outlined in this document.



1. Understand client needs

An important part of advisory is being in tune with your clients' needs (since advisors play an active role in providing strategic direction to small businesses), and it's a good idea to start to gain this level of understanding at the beginning of your advisory journey.

Having a thorough understanding of your clients' needs will help to ensure that both the compliance and advisory services you offer are applicable to your target market. While most small businesses will have similar baseline needs regarding compliance and understanding their financial health, there are often nuances to consider when working with specific types of businesses.

As such, it's important to note that client needs are heavily dependent upon your firm's **niche or area of specialization**. Different types of businesses and target markets will demand different types of services. The ability to accommodate these needs will help you be recognized as an industry expert.

If you don't already have a grasp on your clients' needs (outside of compliance), conduct a survey (either formally or informally) to better understand the value that you provide and how you can structure your services to better meet your clients' needs.

Set up your survey so you're able to observe what a client needs in terms of both compliance and advisory. As we'll discuss more in the "Price & package" section of this document, the best way to structure your services is using a tiered model (i.e., offering a 'Starter Plan' that covers compliance services, an 'Intermediate Plan' that covers compliance + basic advisory, and an 'Advanced Plan' that covers compliance + complex advisory). With this in mind, ask questions that will help you understand which services package might be the best fit based on their needs.



Client Needs Survey – Example Questions

Questions to determine client needs for *new clients*:

- Who has done your bookkeeping over the past three to five years?
- Who is currently doing your bookkeeping?
- Who is currently responsible for reporting on financial statements?
- Are your books closed/up-to-date?
- When were your business taxes last filed?
- Why are you looking to work with an outsourced accountant/bookkeeper?
- Would you like to be more or less involved in your bookkeeping process?
- What is the biggest financial concern at your business?
- What are some of your business goals?

PRO TIP: Adapt this survey on a going-forward basis to vet new clients and make a recommendation on the type of package to which they should subscribe.

Questions to determine client needs for *existing clients*:

- What is the biggest benefit of working with our firm?
- What's one accounting/bookkeeping task you don't ever want to do again?
- Would you benefit from any recurring or on-demand services that we currently do not offer?
- What's one piece of advice we've offered that has helped you make a key business decision?
- What could we do to make your life even easier?
- What kind of advice/recommendations do you want to hear from us?

2. Define your services

Once you have a clear understanding of your client needs, it's time to turn these insights into action.

Track the client needs you've identified back to the services you currently offer (or wish to offer) and look for overlap. In your research, you might have identified client needs for services which you *don't* currently offer. If they're services you're qualified to offer, consider introducing them to your service offerings. If they're services you have no interest or experience offering, think carefully before adding them – if they'll bring more value to your client, hire the right talent to execute these services, or consider outsourcing these particular services.

Defining your services is as simple as listing them (note: documenting service procedures will happen in the next step). Under the separate umbrellas of compliance and advisory, your services will typically fall within **several categories** – see the chart to the right for an example.



Define Your Services – Example

Compliance

Audit

- Government
- Risk assurance

Tax

- International, state, and/or local tax
- Estate & trust
- Individual & family

Payroll

- Payroll administration
- Timesheets
- Preparation & distribution

Bookkeeping

- Bank/credit card reconciliation
- Balance sheet
- Income statements

Accounting

- Financial statements
- Maintain general ledger
- Loan prep & management

Advisory

Business advisory

- Strategic review & planning
- Due diligence

Financial advisory

- Budgeting
- Cash flow forecasting
- Valuations

Tech/systems advisory

- Implementation & migrations
- Onboarding & training
- Ecosystem consulting

3. Document your procedures

Once you’ve listed the services you provide, your next step is to accompany each with a detailed procedure guide outlining how the service is executed. While there’s no denying that this is a tedious exercise, it’s incredibly important for ensuring consistency and accuracy in execution, as well as for expectation setting with clients.

Moreover, documenting your procedures will allow you to easily add them to a workflow tool (such as **Aero Workflow**) and will make your pricing strategy much easier (more on that in the next step). Similarly, you can include your documented processes in your proposal and/or engagement letter so clients also gain a clear understanding of how your processes work, and easily access a source of truth for a particular process.

PRO TIP: Use a framework to write your descriptions – we recommend that the framework include:

- Deliverables** – What outcomes will the client receive with this service?
- Software** – What is the software subscription (if necessary), and who is paying for it?
- Timeframe** – How long/how frequently will the service occur?
- Limitations** – What are the caps on your deliverables?

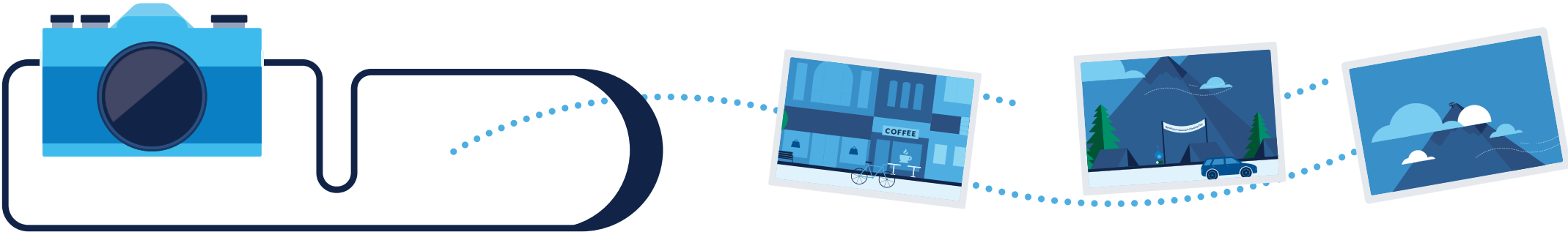
Documenting Advisory Services

There can be some ambiguity surrounding the documentation of advisory services (especially if it’s your first time formally packaging them as a service offering). To better understand and control the scope of advisory, **think of your advisory services as a product** – that is, think of an advisory service offering in terms of the components, equipment, and labor from which it is produced. To borrow an example from **LivePlan**, one way to understand this concept this is to think of a cheeseburger, which is a product that is ultimately produced by raw ingredients and labor.

Fortunately, you’re likely already taking this approach when defining your compliance services. When defining and documenting a compliance service, you’re breaking it down into components that collectively make up the service. For example, if you’re offering monthly bookkeeping as a service, that service is made up of a specific set of tasks (document collection, transaction coding, bank reconciliation, etc.), equipment (document collection software, your general ledger, etc.) and labor (your bookkeeping staff). Ultimately, this service helps your clients stay on top of their books, which allows for them to receive more timely and relevant business insights.

The same approach can be taken with advisory services. In documenting each of your advisory services, you’ll have clear insight into the components, equipment, and labor from which they are produced, which makes it easier to execute the service consistently and stay within scope (as well as price and package these services).

Recommended resource:
Productize Your Advisory Services for Easier Sales and Maximum Profit by **LivePlan**



How to Document Service Procedures

When it comes to documentation, it's important to choose to do this using a format that works best for your practice. The tips below will help you to complete this process efficiently and effectively.

Tips for documenting procedures efficiently and effectively:

- **Document while you work** – If you're already offering one of your services, be sure to document as you go the next time you execute. This will help to ensure that you don't miss any important steps or details.
- **Leverage existing workflows** – Documenting from scratch can seem scary, but often, you won't have to start with a completely blank slate. Many apps and tools offer workflow documentation that you can adapt to fit your own processes. Check the app's resource center or work with your Customer Success Manager to access existing documentation (and check the **Aero Library** for a collection of documented processes).
- **Build your own template** – Ensure you're capturing your own firm's specialization and nuances by building an easy-to-replicate workflow template. Your template should document the task to be completed, who is responsible, any tools used to complete it, and when it's completed.
- **Schedule revisions** – As your firm grows and you adopt new technology, your processes might change – and that's totally fine! Consider setting a recurring calendar event to revisit these processes and update as necessary.



FOLLOW UP: Double-check your documentation – Once a process is documented, have a member of your team follow the procedure to check for accuracy and completeness. Adjust according to their feedback.

It can be challenging to document a service that you have yet to formally offer at your practice – the tips below can not only help you ensure you capture all necessary details, but also ensure that the rollout of the service is successful (we'll cover more on this topic in the “Go-to-market” section of this document).

Tips for documenting a *new* service procedure:

- **Put pen to paper** – Given your understanding of your clients' needs, you likely already have an idea of what the new process will look like. Start by putting pen to paper and mapping out your initial ideas so you have something to work from and refine.
- **Leverage existing/peer workflows** – If the process requires a particular tool or app, inquire to see if they have documentation that you can work from. Alternatively, turn to a peer for assistance – the accounting and bookkeeping community improves when we learn from each other!
- **Test at your own firm** – When adopting any sort of client-facing change, it's always a good idea to test it out at your own practice first. This will give you a much better idea as to any bottlenecks, ambiguity, or opportunities for efficiency. You can create your initial procedure document based on your internal test.
- **Run a beta test with select client(s)** – Selecting an initial cohort (or even just one client) with which you can beta test your service will provide another level of insight that you might not have perceived in your internal test – use this to update your documentation accordingly.
- **Revise, revise, revise** – As you roll out your new service, you'll inevitably discover ways to improve the way you execute your service. Be sure to apply these changes to your service documentation so everyone can experience the benefits!

Service Documentation – Example Template

Name of Service:	Weekly Bookkeeping	Type:	Recurring			
Step #	Step Title	Owner	Duration (hrs)	Start	Dependent on previous task?	Software
1	Review A/P report	Bookkeeper	0.25	28 days to close	N/A	General ledger
2	Pay bills that are due	Bookkeeper	0.5	28 days to close	YES	Bill pay
3	Publish all receipts from receipt app to accounting system	Bookkeeper	0.5	28 days to close	YES	Document collection app
4	Reconcile daily deposits from the POS system in the accounting system	Bookkeeper	0.75	28 days to close	YES	General ledger
5	Reconcile deposits from Stripe in the accounting system	Bookkeeper	0.25	28 days to close	YES	General ledger
6	Reconcile open transactions from bank accounts in the accounting system	Bookkeeper	1.25	28 days to close	YES	General ledger
7	Reconcile open transactions from Paypal in the accounting system	Bookkeeper	0.25	28 days to close	YES	General ledger
8	Review uncashed checks	Bookkeeper	0.25	28 days to close	YES	
9	Email client with any questions on weekly transactions	Bookkeeper	0.25	28 days to close	YES	Email

4. Price & package

You've finalized your service offerings and have clearly documented how they're completed. Your next step: pricing and packaging!

When it comes to offering advisory services, fixed or value-based pricing is the best pricing model to leverage. There are many benefits to implementing a tiered fixed pricing structure:

- Fixed pricing places an emphasis on the value provided as an advisor (and less emphasis on the time required to complete bookkeeping tasks)
- Fixed pricing means clients know exactly what their monthly bill will look like, enabling greater transparency and easier budgeting
- Offering several fixed-price packages will enable you to better meet client needs (as well as create opportunities for upsell)

How to Price

With your defined and documented services, you should have a solid idea regarding the work that must be completed, the length of time it will take, and the products/software required (if any) for each of your services.

As **recommended by Practice Ignition**, follow these steps to develop your fixed fees for each service you've defined and documented:

1. Establish the experience level of the staff member(s) required to execute on that particular service being completed;
2. Allocate time frames to each of the steps given the job/role (if you haven't already); then
3. Multiply the time frame by the hourly rate to determine the revenue required to cover the service and make a profit;
4. Add in the costs of the software being used (factoring in any rebates you may receive);
5. From this, you should be able to determine the total baseline cost for this individual service and what it includes.

Practice Ignition surveyed hundreds of accounting and bookkeeping professionals to provide you with a library of in-app **smart pricing templates** to help get you started.



Once you've priced each of your individual services, you can bundle them into packages. In understanding your client needs, client journey, and any new services you wish to offer, you likely already have an idea of what your packages will look like. Best-in-class firms typically offer tiered packages that "build up", starting with a basic compliance offering, then adding additional value-add and advisory services – see the example below from **GnarlyBooks.ca**.

Starter Plan	Intermediate Plan	Advanced Plan
Full Bookkeeping Tax Filing	Includes all Starter Plan services Tax Planning Payroll Support Basic Reporting	Includes all Starter + Intermediate Plan services Advanced Reporting Business Coaching Technology Advisory

Source: **GnarlyBooks.ca**

Once you've built your packages, price each package by following these steps:

1. Establish a baseline price for a packaged service by adding the sum of the total services in the package.
2. Include a fixed fee contingency/risk factor for any efficiency gains to be achieved by standardizing the baseline (e.g., using cloud accounting tools).
3. Calculate the annual and monthly fee for the package.
4. Determine if it's a reasonable selling price (*i.e., it's easier to market a package listed at \$3,300 than \$3,214.76*).

See the chart below for an example of what a packaging exercise might look like.

Example Plans	Time (hours)	Rate (p/h)	Cost p.a.		Monthly \$	Time/Monthly	Role type
Silver							
Admin	0.1	80	8	Time	0.67	0.008333333333	admin
ASIC/SEC/Companies office fees	0.1	80	8	Time	0.67	0.008333333333	admin
Preparation of Financials	4	200	800	Time	66.67	0.3333333333	Senior
Review/Audit of financials	4	250	1000	Time	83.33	0.3333333333	Partner
Preparation and lodgement of Tax Re	1.25	150	187.5	Time	15.63	0.1041666667	Intermediate
Accounting Support	2	80	160	Time	13.33	0.1666666667	Grad
Filling fee	1	350	350	Product	29.17		Fixed 1
Accounting Software	12	50	600	QBO + HubDoc	50.00		Fixed 2
							Fixed 3
							Fixed 4
Total			3113.5		259.46		
Marketable price			3300		275		
Sales Tax (apply if required)							
Total			3300		275		

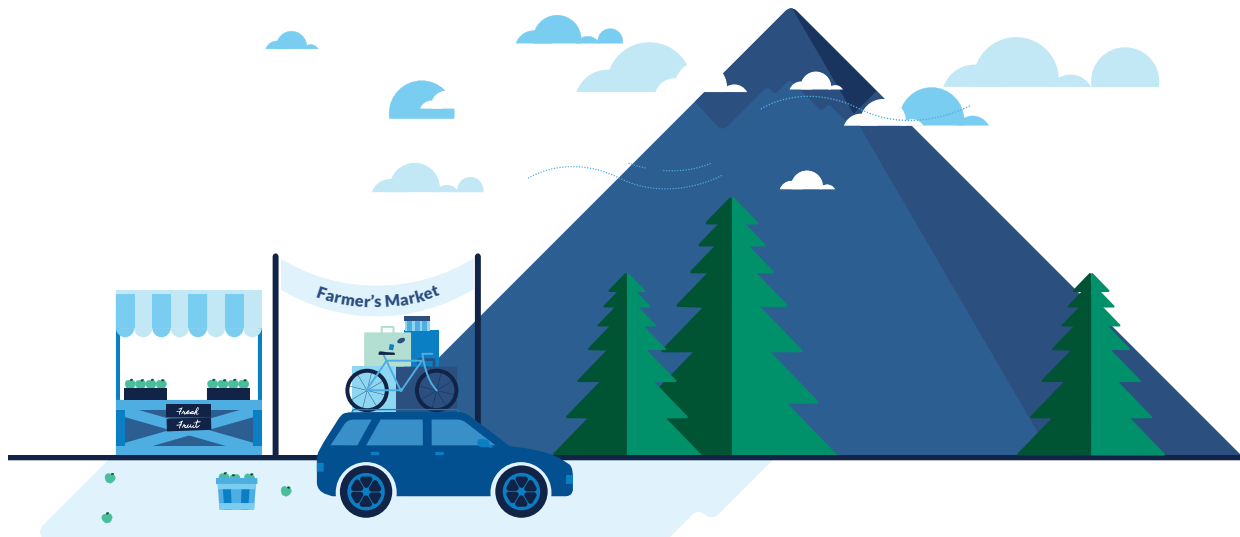
Source: **Practice Ignition – Tactical Strategies for Building & Implementing a Fixed Fee Pricing Plan**

5. Go-to-market

Once you've packaged and priced your services, you're at last ready to go-to-market! (Note: as mentioned in the "Document your procedures" section, ensure you've properly beta tested your new services before officially going to market.)

Perhaps the most important part of your go-to-market strategy will be determining positioning and messaging. Fortunately, you've already done most of the heavy lifting here, as much of this will be informed by understanding your clients' needs, as well as those of the other groups that will be impacted – i.e., your staff and your current clients.

If you're rolling out new packages, services, and pricing to existing clients (i.e., those who might not be "grandfathered" into your plan), it's important to educate and enable your current team, as well as build a solid plan for communicating any changes to your clients. Focus on the benefits of your new services and pricing model – how will their business benefit in the long run? What will it help you accomplish together? Look back on your learnings from your client needs assessment to draw ideas for messaging.



Bookkeeping Services – Go-to-Market Checklist

Educate and enable your team

- Onboard and educate internal team on service execution (as necessary)
- Educate sales representatives on new pricing/service structure
- Develop sales enablement materials (one-pagers, short service descriptions, etc.)

Add service packages to your website

- Write package descriptions + list high-level package services (use language that your ideal clients would use)
- Leverage design resources as necessary
- Make changes to your website

Introducing new pricing & services to existing clients:

Prepare to communicate

- Determine how you want to roll out your new pricing (e.g., when packages expire, or right away – regardless, it's best to take a staggered approach) and define your cohorts accordingly
- Start your rollout by sending your price increase letter (see below) to your first cohort

Communicate the change via a price increase letter

- Create your price increase letter (focus on the value that you provide) – [see here for an example from Practice Ignition](#)
- Send via your defined cohort strategy
- Follow up with a phone call a few days after sending your letter to ensure clients are on board and understand the changes

Providing the whole package

Being able to offer the whole package to your small business clients – i.e., the necessary level of compliance and advisory services – will help ensure you’re providing the value they need to reach their goals. As a result, you’ll both experience success.

The road to advisory isn’t always an easy one. There are sure to be a few bumps along the way, not to mention a few wrong turns. Taking the time to set **foundational processes**, deeply understand **client needs**, and create clarity and structure surrounding your services will help to ensure a smooth and exciting journey.

ADDITIONAL RESOURCES

The Aero Library

Pricing Your Practice: Getting Started (by Guy Pearson)

ACKNOWLEDGMENTS

On behalf of Aero Workflow, Hubdoc, and Practice Ignition, we’d like to extend a special thank you to the following individuals who helped us put this document together:

Octavia Conner, **Say Yes to Profits**

Carrie Mulrooney and Paul McCarthy, **Mulrooney & Associates Inc.** and **GnarlyBooks.ca**

Laura Redmond, **Aero Workflow** and **Redmond Accounting Inc.**



ABOUT AERO WORKFLOW

Aero Workflow gives accounting and bookkeeping firms the tools they need to define, schedule, and deliver client services, helping to create a firm that is efficient, scalable, and profitable.

[FIND OUT MORE](#)



ABOUT HUBDOC

Hubdoc is a data capture solution that automatically collects your clients’ bills, receipts, and statements; extracts the key data; then publishes to your accounting software for one-click reconciliation and audit-proofing.

[LEARN MORE](#)



ABOUT PRACTICE IGNITION

Practice Ignition turns your proposal, terms of service and payment collection into a single smart contract. We remove any friction from the client engagement process and make it easy to sign up clients and get paid. It’s the ideal solution for fixed fee accounting or bookkeeping practices and other professional service businesses. With Practice Ignition you’ll save tons of time, sign more clients and drastically reduce your debtors.

[FIND OUT MORE](#)