

CPAs this is for you:

So often I'll speak with accountants and ask them if they do any forward planning for their clients. The answer 9 out of 10 times is NO. I ask why and the response I get is "they never ask me too". When a client is in financial difficulty they often time hire a consultant to help them out. What is the first thing the consultant does...prepare a cash flow forecast. Why prepare on when it may be too late.

As you know it is difficult to have your clients focus on their future. This becomes even more difficult when you spend most of your time helping them focus on their past. The future is everything. You can't manage the past. Only the future can be managed. Therefore it is in yours and your client's best interest to help them manage their future.

To assist the accountant in selling future services (forecasting) to their clients we have created the One Hour Forecast. It is a very simple and creates a high level overview forecast. It deals with cost of goods sold, fixed and variable expenses, depreciation and amortization of term debt and you will credit line analysis. It shouldn't take more than 1 hour to do prepare. It will produce a P&L, cash flow and balance sheets all for 12 months going forward.

We recommend preparing a forecast using the One Hour Forecast for a client and not bill them. You will be investing 1 hour of your time in the client. You will now be in the position of presenting a 12 cash flow to your client. Something they, more than likely, have never seen before.

When you present this information to the client they will begin to ask questions and may request more detail. Making adjustment to the high level forecast should start the clock running. You should be adding purchase of equipment, a more accurate sales forecast, a better cost of goods sold analysis and new borrowings etc. etc.

From this point forward you will be able to monitor the results against the forecast on a regular basis (with the client) and become more consultative in the relationship. Consultative accounting is what the client needs.

Remember all accountants can do tax returns...your competitive edge is consulting.