

# The most significant risk to the future of every advice business.



**Grant Bloxham**, CEO of Bstar, is a recognised thought leader in the accounting industry & a data specialist in the Small, Family & SME business sectors.

Challenging economic conditions, changing industry trends & the emergence of AI are all putting pressure on the **goodwill between advisers & their business clients**.

Small, Family & SME business owners are loyal, but only to a point. Access to online data & AI solutions are changing the landscape in terms of where business owners seek advice.

This presents the most significant risk facing all advice businesses.

**#1 Not adding value to existing client relationships**

✓ Profit

✓ Cash Flow

✓ Staff

**To mitigate this risk**, advice business owners need to ask themselves a simple question: *How do we add value to our existing clients?*

## Industry Risks

In the accounting industry, tax compliance workloads & staff shortages are **obstacles** to providing value adding solutions such as business advisory services. Only **9%** of accountants have documented plans to free up capacity and broaden their services.

What is the cost of this lost opportunity? Let's look at the most valuable ideal client group: SME owners 3 - 5 years out from succession, sale, or exit.

### Opportunity Lost

SME owners are turning to their financial planner for succession planning advice & support.

### Opportunity Cost

**\$82k** in advisory fees,  
**\$2.5m** wealth FUM per client.

Accountants are not the only adviser group being affected. **Finance Brokers** have expressed genuine concerns on how AI is being used to target their clients directly for new business, cutting them out.

## Value-adding data & solutions

How do advice businesses capitalise their opportunities? By using data & solutions to add value to their existing client relationships.



#### ACCOUNTANTS

Specialist services that quantify the value created.



#### BUSINESS BROKERS

Board of Advice support for businesses not sale ready.



#### FINANCE BROKERS

Enhance value proposition: Data + Advisory + Finance.



#### FINANCIAL PLANNERS

SME Family Office Services & complex advice.

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Quantification proves to clients the value provided. It can be both financial & non-financial.

**Financial** - annual business revaluation & benchmarking.

**Non-Financial** - completed Action Plan reporting.

**Value-adding data & solutions** boost profits & create 'barriers to leave.'

## Barriers to leave

**2,740** SMEs rated a *high degree of owner reliance* as their strongest concern.

Helping clients address this concern establishes a medium to long term 'barrier to leave.'

**Value-adding data & solutions** attract new ideal clients. Clients with a high level of satisfaction are consistently the most dependable & effective source of new client referrals.

## Key Risk/Profit/Value Driver

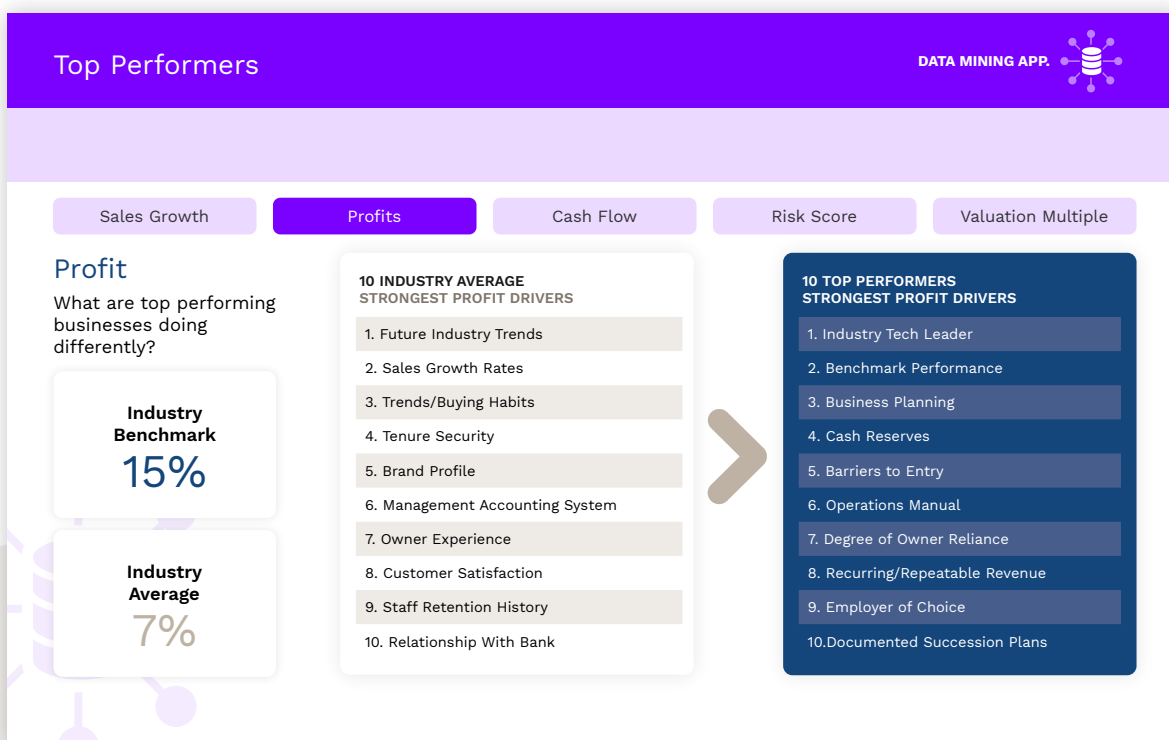
**Seventy-six percent** of financial planning practice owner(s) are willing to 'sell off' non profitable clients & replace them with SME Family Office Services clients.

## Non-financial data

Non-financial value-adding data represents the new growth engine for an advice business. It also closes a worrying Small/Family/SME business owner **education gap**.

Bstar's Data Mining App. is an exclusive source of non-financial value-adding data. DMA users have access to over **1.77million risk/profit/value driver benchmarks**.

The image below displays one of ten current & future Data Mining App. Reports. The **Top Performers Report** integrates financial/non-financial benchmarks.



Data Mining App. Top Performers Report

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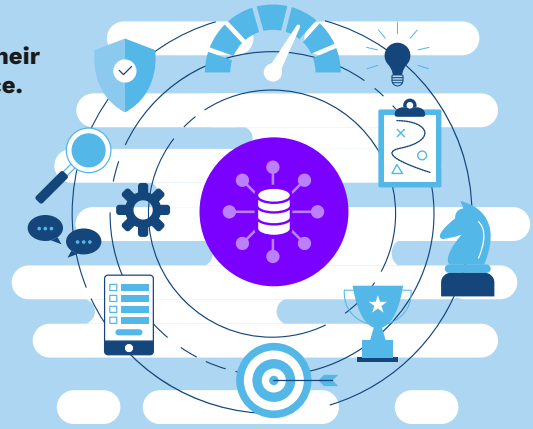
### Value-add?

**Your clients understanding what top performing businesses in their industry are doing differently to achieve benchmark performance.**

Users of the App. can filter data by industry, date & revenue ranges across five KPIs:

1. Sales growth.
2. Profitability.
3. Cash flow.
4. Risk scores.
5. Valuations multiples.

The Report takes less than 30 seconds to generate & represents the **future of business advisory data & reporting.**



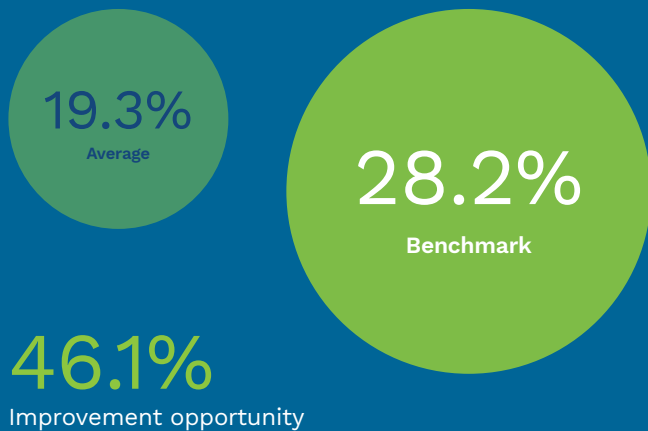
### Financial returns

**Advice businesses that genuinely add value to their existing clients will thrive.** The goal is to target your practice's sweet spot for advisory services revenue mix. For accountants, aim for value-adding solutions to represent more than 60% of total practice revenue.

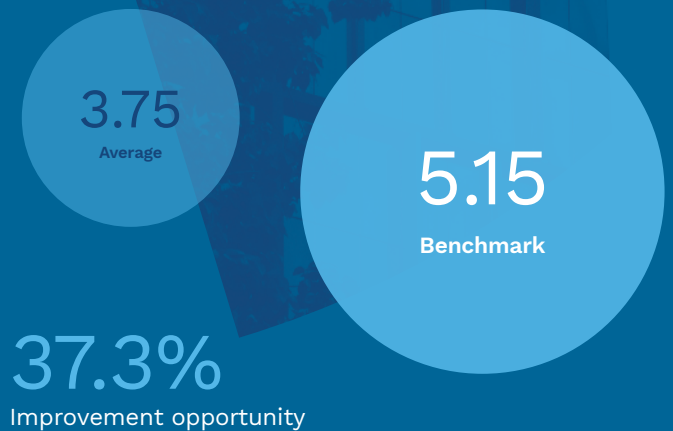
If this happens, it is highly likely YOUR profit margins & valuation multiples will put your practice in the top performers category for your industry.

## Bstar's Accounting Industry Benchmarks

### PROFIT MARGINS



### VALUATION MULTIPLES



**Bstar** is more than just a valuation tool. Over the last 24 years, Bstar has gained the trust & respect of accountants, financial advisers & other business/finance professionals by mining unique data, offering automated advisory solutions, sharing industry knowledge/expertise & strategies that boost practice profit & values.