

**LOOK TO SPECIALISE**  
**YOUR PRACTICAL GUIDE**  
**MY FIRM. MY FUTURE.**

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# INTRODUCTION

**Empowered by unprecedented access to information, tech-savvy customers now expect their accountant to go beyond the numbers with an offering that they cannot get from a machine.**

Specialisation is one of the four key themes identified in CPA Australia's 2019 *MY FIRM. MY FUTURE. Report*. It presents a valuable point of difference that will help accounting firms respond to the forces reshaping the profession.

The report is based on a CPA Australia survey of 446 public practitioners, including 333 members and a separate survey of 113 accountants in public practice. Additionally, CPA Australia surveyed 610 SME and 401 consumer clients. These findings were reinforced by seven focus groups involving 54 members in public practice held around the country in metro and regional areas, as well 16 one-on-one in depth interviews with CPA Australia public practitioners. During these interviews, members discussed their own experiences, opinions and projections regarding the firm of the future.

Demand for specialist knowledge is a key factor shaping the future of public practice. Approximately 65% of both SMEs and consumers stated that their accountant's specialist knowledge in certain areas was a key factor in choosing their accountant.



**APPROXIMATELY 65% OF BOTH SMES AND CONSUMERS STATED THAT THEIR ACCOUNTANT'S SPECIALIST KNOWLEDGE IN CERTAIN AREAS WAS A KEY FACTOR IN CHOOSING THEIR ACCOUNTANT.**

Furthermore, an accountant's specialist knowledge is of greater importance to clients than the cost or range of services.

More than a third of consumers would like their accountant to provide financial planning advisory services within the next five years, and a quarter would like their accountant to provide consumer credit and mortgage broking services. A shift towards this preference would more than double the provision of these services to consumers and would potentially see credit and mortgage broking surpass SMSF administration and compliance services as a service provided to consumers by their accountants.

When identifying a specialisation, the typical approach is:

- to offer a focused range of specialised services, or
- to offer your services to a specific industry.

This practical guide is designed to help get you started. While most of the advice applies to both specialisation methods, it also includes tips that are specific to each approach, such as immersing yourself in your specialist industry and keeping up-to-date with the regulatory environment for specialist advisory services.

There is also advice for identifying, planning and implementing your specialisation, creating a valuable point of difference in the market, and building a multi-disciplinary network of referrals so you can become the trusted partner for your clients' needs.



PART ONE

# BUILDING YOUR SPECIALISATION STRATEGY

One of the greatest challenges with specialisation is knowing which area or industry to focus on. Where should you start?

A specialisation can give you a clear direction, clarity of purpose, and a sharper focus on your ideal client.

You may choose to offer a focused range of specialised services, or to offer your services to a specific industry, however the following questions are relevant to both approaches:

**Who is my existing client base?**

Your business may have organically grown toward a specialisation, such as SMSF services or entrepreneurial clients. This may provide a valuable starting point to build on.

**What am I passionate about?**

If you wish to specialise in an industry or service, think about what really interests you, as this may be a great source of job satisfaction and may help you to connect on a deeper level with your clients.

For example:

- Is it aligned with your own passions, such as music, or charity work?
- Is it aligned to a specific demographic of interest to you, such as money management for Millennials or financial planning for retirees?



**SPECIALISATION TIP!**

Put yourself in their shoes.

Find out what’s keeping your target market awake at night. Immerse yourself in your niche’s world so that you can better understand their pain points and what they really value. This will require regular conversations with your clients – and be sure to ask them for feedback on how you can improve your service.

IN A RELATIONSHIP BUILT ON TRUST, SPECIALIST KNOWLEDGE ESTABLISHES FURTHER CREDIBILITY WITH THE CLIENT.

PART ONE

BUILDING YOUR SPECIALISATION STRATEGY

Where is the future demand?

Seek out industry, demographic or business trends and consider an area of specialisation where you see opportunities for growth.

For example:

- Which industries are set to soar in the next decade?
- Does the aging population present more opportunities specialising in aged care?
- Which issues are most likely to shape future business trends?

How will I build my skills and knowledge to meet demand?

Consider ways that you can immerse yourself in your specialist industry or area of advice, whether you require additional training or professional development, or if you need a special license for your chosen area. These considerations are explored in Part 2 of this guide.

How crowded is the market and what can I contribute?

If demand for a specialisation is already being met, it may not be a sustainable choice for your business. However, you could develop a valuable point of difference to your competitors. This is explored in Part 3 of this guide.

What technology will assist in my specialisation?

Digital reporting and communication tools can help you to gather and share insights efficiently. There are tips for this in Part 2 of this guide.

What’s your specialist service?

Members in public practice can choose to provide specialist services in a range of areas. Here are some ideas to get you started.

- Auditing and assurance services
- Bookkeeping
- Consumer and commercial credit services
- ESG
- Financial planning/advice
- Financial reporting
- Forensic accounting
- Insolvency
- Management accounting
- Management consulting
- Taxation
- Transactional accounting
- Valuation services
- Franchising consultancy, for example, retail, hospitality
- Specialised advice and reporting for not-for-profits
- Industry specific advisory, such as property, farming, creative arts, professional services.

IMPORTANT FACTORS

SMEs and consumers identified that specialist knowledge was the most important factor to consider when choosing an accountant to manage their personal and/or business finances.

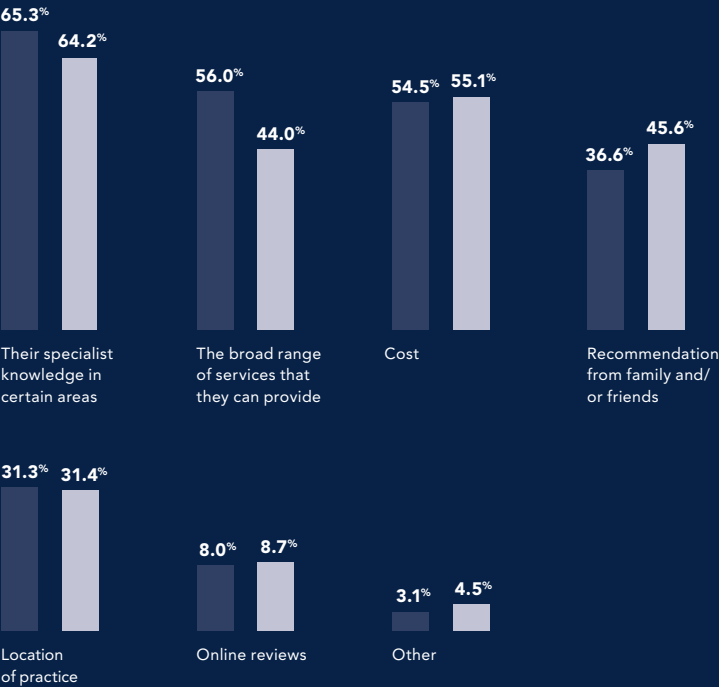


CHART KEY

- SMEs
- Consumers

n = 401, SMEs; n = 610, Consumers  
Source: CPA Australia's survey of consumers and SMEs September 2019

SPECIALISATION TIP!

Explore emerging trends.

In CPA Australia’s survey of SMEs, more than half believe environment, social and governance (ESG) issues to be important in the way they run their business and one in five would like help from their accountant in addressing ESG issues in their business. This represents an opportunity to developed specialised services to clients in this area.

## PART TWO

# REFINING YOUR SPECIALISATION

**Now that you've identified your area of specialisation, it's time to build your knowledge and skills.**

### Develop your point of difference

If a potential client asks why they should engage you as their accountant, do you have an answer?

Differentiation can be achieved in a number of ways, including:

- The way you communicate and engage with your client
- The range of services you provide
- The depth of specialisation you have in a particular area
- The way in which you provide services
- Your accessibility, for example, availability of virtual meetings
- Your price and your pricing structure
- The design of your office
- The network that you can connect your clients into.

### Speak their language

When working with a specific industry or demographic, or when providing specialised services, it is vital that you speak in a language that your clients will understand.

- Strengthen your understanding of their industry, its challenges and emerging trends
- Avoid using accounting jargon, but be familiar with terms specific to their industry
- If you are providing specialised services to a specific demographic, consider the potential priorities and values of their life stage
- Ask open-ended questions to deepen your knowledge. Advice on asking open-ending questions is included in the *MY FIRM. MY FUTURE. Incorporate Advisory Guide*.

### Become an industry expert

If you are specialising in a specific industry, your clients will expect you to know their sector inside out. That's why they have chosen you as their accountant.

- Attend industry events, sign up for relevant newsletters, attend conferences and webinars.
- If your specialist industry has a membership body, find out what they offer.
- Look out for changes in legislation that may affect your clients' industry or the services you provide to them.



SPECIALIST KNOWLEDGE IS  
OF GREATER IMPORTANCE  
TO CLIENTS THAN THE COST  
OR RANGE OF SERVICES.



PART TWO

REFINING YOUR SPECIALISATION

Understand your obligations

Some areas of specialised financial services may require a special license. For example, while some advice relating to SMSF can be provided without being authorised under an Australian Financial Services (AFS) licence, other areas will require one. It is important to understand your regulatory obligations and the associated costs of compliance before launching your specialisation. CPA Australia’s Financial Advice and Regulations: Guidance for the Accounting Profession includes useful information about your obligations.

Develop your team

Specialisation requires a deep knowledge of an industry or a service – but you may not be the expert in each facet.

That’s why it’s important to have a well-rounded team that can fill any gaps or can take on more responsibilities when you are not at work.

Explore additional training options as required or consider recruiting new team members who can bring the skills and experience to meet client needs.

Build an avatar of your ideal client

The better you understand your client, the better you can meet their needs. Build an avatar – or a fictional representation – of your ideal client. This can be done as an activity with your team. Start by thinking of big brands you know well. Describe these brands as you would describe a person, then do it for your ideal client.

Include information such as:

- Age, occupation and industry
- Annual revenue
- Challenges and pain points
- Goals, key motivations and values
- Where they find information
- Sign up for Google Alerts to receive an email notification when new results – such as web pages, newspaper articles or blogs – match the search terms for your industry specialisation
- Explore professional development to hone your skills.

Go narrow and deep

To keep ahead of the competition in your chosen area of specialisation, consider narrowing your focus and deepening your knowledge. For example, if you decide to specialise in financial planning, you could focus your services on a specific demographic or area, such as pre-retirement or intergenerational wealth transfer. This will create a valuable point of difference.

LEVERAGE TECHNOLOGY

Technology is transforming the business landscape – and providing the tools to help transform your practice. A wide range of tech tools are included in the *MY FIRM. MY FUTURE. Leverage Technology Guide*, to help you to choose the best software for your business, and here are a few to seek out for your specialisation.

1. Cloud-based technology

Collaborative software, such as cloud-based general ledger systems, is helping to reposition accounting firms from service providers to trusted partners. The quality of real-time client data allows you to be future-focused and to offer services more cost effectively.

Cloud-based technology is projected to have the greatest impact on accounting practices over the next five years. It is similar to traditional, on-premises accounting software, except it is hosted on remote servers, similar to the SaaS (Software as a Service) business model. Data is sent into “the cloud”, where it is processed and returned to the user and can be accessed anywhere, anytime, from a secure web browser.

It can present a slightly overwhelming array of choices, so seek input on what best meets your needs – and the current and future needs of your clients. Speak to your team members and ask other practitioners what works for them.

2. Specialised software

Explore technology specific to your clients’ industry or your specialised services, such as financial advisory software, analytics tools for forensic accounting or estate planning tools. The best software will integrate with other tools, such as your cloud accounting ledgers.

3. A CRM solution

Understanding your clients is essential to providing a specialised service. While sole practitioners and very small businesses may be able to manage client relationships without specialised software, larger practices may benefit from a Customer Relationship Management (CRM) system.

To gain the benefit of a CRM system, your business needs to ensure that all interactions are captured.

BUILD SPECIALISATION INTO YOUR PRACTICE IDENTITY AND MAKE IT A POINT OF DIFFERENCE.

PART THREE

# FROM IDEA TO IMPLEMENTATION

Now that you have what you need to shape your specialisation, it's time to start building your brand. Where should you start?

**Build your brand**

You've defined the type of clients you'd like to work with, so now it's time to attract them to your business by building your brand.

Whether you are specialising in an industry or specific services, think of your brand as your business identity – it should be reflected in everything from the look and feel of your website and office through to your workplace culture and your approach to client service.

While you may wish to hire a marketing consultant – or train an existing employee – to build a marketing plan, there are other things to consider about your brand.

- Ensure your brand is relevant to your target market. For example, make sure your website and marketing content uses the type of language and imagery they can relate to.
- Identify where your target market goes for information, such as social media, online communities, and conferences, and share your insights. You could also consider advertising or sponsorship.
- Gather testimonials or build case studies that showcase how you've helped clients achieve their goals.
- Feature a blog on your website with informative content that demonstrates your expertise.
- Host events that are relevant to your target market.



## CHECKLIST

Building a network of other specialist practitioners and referrals can add value by helping you to meet a broader range of client needs. If a client needs help with estate planning, for example, you can coordinate a lawyer and a financial adviser from within your network, but you must ensure they receive the best possible advice. When building your referral network, consider the following steps:

- |  |   |
|--|---|
| ✓ Establish a trial period to begin with. When you feel confident, draw up a formal arrangement.   | ✓ Disclose any remuneration or benefits received from your association with members of your referral network.   |
| ✓ Plan an exit strategy at the beginning of the relationship. This should include who keeps the client, how ongoing client service will be maintained and what will happen to existing revenue arrangements. | ✓ Develop a marketing plan to effectively communicate what's happening with your clients in a clear and consistent manner.  |
| ✓ Agree on what you both want to achieve from the arrangement and put this in writing.   | ✓ Maintain regular formal and informal contact with your referral partner and request ongoing feedback on client activity, responses and the process. Also, seek feedback from your client about their experience with your referral partner. |
| ✓ Develop a 12-month action plan that sets out these goals and confirms who does what.   | ✓ Measure the performance of the relationship against the objectives you both set and have regular and formal reviews so you can resolve any issues that may arise.   |
| ✓ Ensure that everything is done in line with the requirements of the Privacy Act, as well as any other legislative obligations.   |   |



PART FOUR

SPECIALISATIONS  
FIT FOR THE FUTURE

You’ve successfully launched your specialisation, but the job’s not over yet! How can you deepen your client relationships and plan for the future?

Become your clients’ trusted partner

If you specialise in a specific industry, look beyond the finance function to all of their operations and build a holistic approach to your services.

- Can you build more advisory services into your offering?
- Can you leverage your referral network to add greater value?
- How can you deepen your knowledge of their business to be proactive rather than reactive to their needs?
- Does your client think of you as a business partner?

Maintain close communication

Show that you have your clients’ best interests in mind by scheduling regular check-ins and keeping them up-to-date on relevant industry or legislative changes. Continue to promote your expertise by sending newsletters and blogs that provide valuable information.

Plan for growth

Serving a narrower set of clients may actually help your business to grow, as you are able to better focus your marketing efforts and bring in more relevant business.

As your business begins to grow, examine your capability and capacity.

- Does your existing team – and your technology – have the ability to meet emerging client needs?
- How will you manage the growing volume of work?
- Do you want to focus on your specialisation and hire someone to manage business operational matters?

Keep your eye on legislation

Your specialisation may be impacted by new legislation that can add cost and complexity to your services. Make you stay on top of changes and communicate them clearly to your clients.

Remain the go-to expert in your field

Industry landscapes are evolving along with client needs. Stay up-to-date with the trends and developments within your areas of specialisation and seek out professional development opportunities to build on your strengths. Talk to your clients about their challenges and pain points and build your multi-disciplinary networks to help service your client needs.

Demand for specialised knowledge is growing as clients continue to seek greater value from their accountant. Specialised services may only comprise a portion of your service mix, but by embedding them into your offering today, you will maintain your valuable points of difference for tomorrow.

SERVICES IN DEMAND

SMEs and consumers identified that specialist knowledge was the most important factor to consider when choosing an accountant to manage their personal and/or business finances.

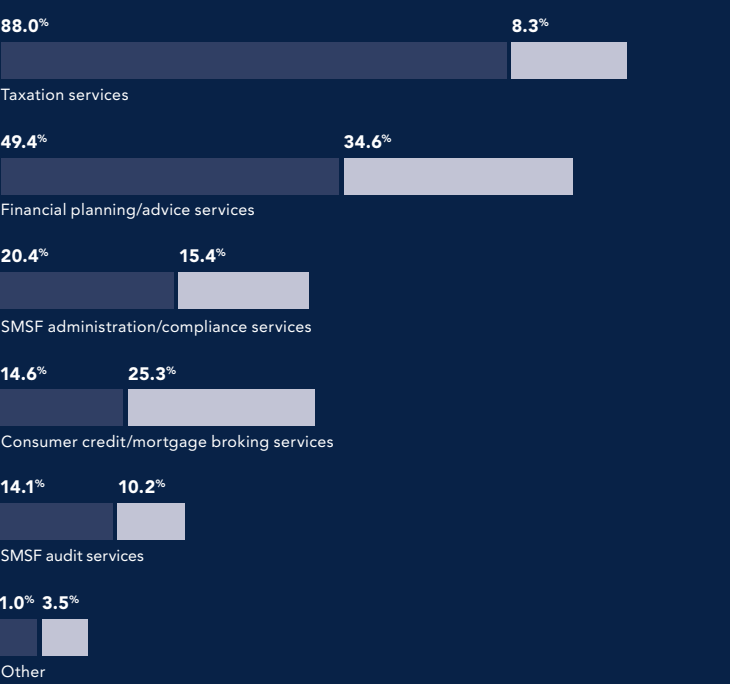


CHART KEY

Currently provided      Would like to be provided over the next five years

\*Multiple answers allowed  
n = 401, SMEs  
Source: CPA Australia’s survey of consumers and SMEs September 2019

DON’T BE DETERRED IF AT FIRST  
YOU DON’T SUCCEED. YOU MAY  
NEED TO EXPLORE A FEW OPTIONS  
BEFORE YOU GET TRACTION.

# ADDITIONAL RESOURCES

## MY FIRM. MY FUTURE. E-LEARNING

MY FIRM. MY FUTURE E-LEARNING is a complimentary suite of online modules designed to help you with all you need to manage and grow a successful business. The suite will enable you to develop a holistic plan tailored to your individual business or provides the flexibility to select topics that are most important to your immediate business or client needs.

This suite of online modules will continue to evolve to address the essential and future business needs.

## MY FIRM. MY FUTURE. REPORT

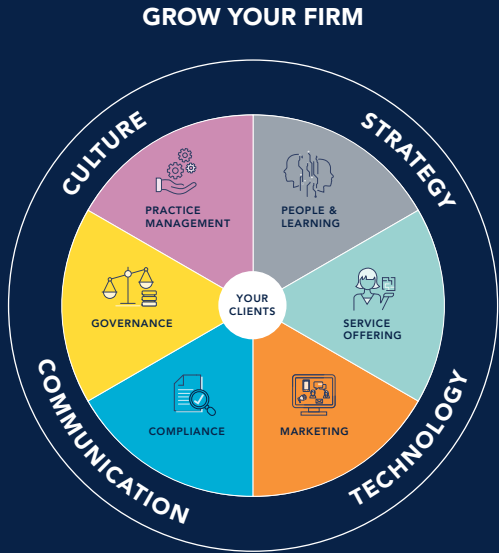
The MY FIRM. MY FUTURE. Report provides an in-depth analysis of the changing accounting landscape. It explores the key forces reshaping the accounting profession and provides public practitioners with the evidence and insights they need to make informed practice and service development decisions.

## TECHNOLOGY ONLINE

Refer to our range of online resources for tips on technology, cyber security, data protection, data breaches and selecting an IT service provider.

## BUSINESS MANAGEMENT

A range of tools, templates and resources to help you in the management of your business.



THE MY FIRM. MY FUTURE.  
e-learning suite covers 10  
essential business categories

