



14<sup>th</sup> March 2006

## A SPECIAL INVITATION

Many practitioners are now in receipt of our information but some are having difficulty understanding what it is we actually do. We believe that we are quite unique in **that our focus is totally upon practical implementation for practice improvement and we are independent** – we are not pushing software products, financial services, technical support, etc. **We are accountants supporting accountants with practical experience.**

In recent times we have witnessed the demise of many companies that have attempted to consolidate professional firms – not the least of which was Stockford Ltd: an attempted roll up of 53 firms with \$160 mil turnover. It failed, along with many others, and perhaps the biggest lesson to emerge from all of this is **the strong desire that professionals have to maintain their client relationship and independence.** And yet the accountancy profession is largely a ‘cottage industry’ (only 20 firms earn 60% of our total revenue and around 9800 firms earn the balance) whilst the rest of the world merrily aggregates and consolidates to achieve greater and greater efficiencies.

Add to this scenario the implications of the ‘baby boomers’ whereby **55% of all current principals are over 50** and then consider that our younger people are entering practices later (after university, etc) and over **70% are female** whose priorities are in the main more influenced by “other responsibilities such as family formation and child rearing, and a biological clock that cannot be denied” (quoted from Pru Goward the former Federal Sex Discrimination Commissioner) and **we have a major time bomb ahead of us.**

Did you realise that the average practice recovery rate for the BRW Top 100 firms is only \$90/hour? The 80/20 rule is alive and well here with the top 20 firms earning above \$90 and the rest earning below. **The bottom of the Top 100 earns only \$34/hour!** We have developed proven strategies to improve these results.

These are only some of the many very significant issues that practitioners have to face today and all of this adds up to what I refer to as a **“Tsunami”** for our profession.

### **What are we to do amidst all of this?**

Many firms are being realistic and developing strategies, however, even then though *their focus is usually an internal focus.* Strategies can only be formulated around the often-limited experience of the firm itself and, more often than not, very restricted knowledge as to developments taking place in the much wider world.

Consolidations are not the answer (at this time). Some smaller firms will merge with bigger firms. Some firms will join federations (working under the same brand name whilst retaining independence) and yet others will join networks. It is this last model that we have established across Australia and New Zealand whereby firms large and small **meet regularly to focus on practice issues and practice improvement.** They do not get involved in technical issues. I believe there is an anomaly here that is not a lot different to the gardener’s garden or the mechanic’s car – **the accountant’s practice is often left to last and not managed as well as it should be or could be!** Since establishing these informal networks, where firms maintain their independence but share ideas and strategies in a non-competitive, confidential environment, many firms have improved their net profit by up to five times! Firms are benchmarked, good ideas shared, problems tabled for discussion, issues workshopped and strategies developed.

**Camaraderie** grows and many firms work together in alliances on special issues. Spouses and families are included to ensure 'balance' is maintained. These networks are quite unique – we know of no other such organisation. As the facilitator (fully accredited and trained) I am an independent former practitioner having been in the profession for over 40 years (25 years as a partner in 'Big 4' and 2<sup>nd</sup>-tier firms, including 20 years with PW and C&L and managing partner of a small firm). I am not 'pushing a barrow' to sell products, financial services, computer software, etc. and am solely focused on better practice management, improved profits and improved lifestyles for individual practitioners. It is **accountants supporting accountants in a very practical way.**



Because numbers are limited (usually around 10 to 15 **firms** per network) we have to limit our invitations to those firms associated with us that we believe will be active and add value to such a network, hence our invitation to your firm.

Size of your firm is not a factor – we have firms ranging in size from 9 partners to sole practitioners - rather we seek a mindset of ideas and enthusiasm to improve. However, we stress that **you must act quickly** to secure a membership because of the limited number of firms for each network and accordingly we ask that you **contact us today.**

*We are offering a major concession for a limited time*

**- ATTEND THE FIRST MEETING FOR FREE AND WITHOUT OBLIGATION TO CONTINUE.**

We simply request that attendees have the authority to make a decision at the meeting, and advise us at the meeting, and that they also meet their share of costs of disbursements for dinner and venue.

***This group continues to provide value to our firm - it allows us to focus on issues which must change in order for us to develop our practice. It provides an external impetus to implement change.*** Mr Greg Hollands, Hollands & Partners, Canberra, (02) 6257 1488

***A very valuable process – this is what we've been looking for as we need help in managing our practice.*** Dean Robinson, Redman Partners, Camden, NSW (02) 4648 5000

*We have meetings scheduled across Australia and New Zealand and we are seeking new members.*

**Fill in the attached form and fax it to us on 02 6971 7320 today. Don't miss out! If you would like further testimonials, copies of newsletters or any other information do not hesitate to call us or visit our website.**

I also attend a lot of one-to-one consulting work with firms especially Strategic Planning Workshops (Business Plans) and Retreats.

Our services are in four main areas:

1. Direct consulting in practice improvement
2. Benchmarking - six monthly reports: budget & actual with comparisons with average. Includes comparisons, traffic light reports and Word report.
3. Anzan Mentor - see [www.anzan.com.au](http://www.anzan.com.au) for details.
4. Full network.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David', with a horizontal line underneath.

DAVID CONNELL FCA,F CPA,FAICD  
FACILITATOR

**FAX BACK TODAY AND RECEIVE A FREE CD -  
‘IF YOU’RE SERIOUS ABOUT IMPROVING  
YOUR PRACTICE PROFITABILITY...’**

Fax this registration of interest now to 02 69 717 320

Name.....

Firm Name.....

Address .....

Suburb ..... Postcode .....

Telephone ..... Fax .....

Email .....

We are interested in the meeting to be held at .....

We are interested in the Anzan Mentor service .....

We are interested in the Benchmarking service .....

We will forward to you more detail including the full membership package, subscription form,  
registration form and other details.

**CALENDAR OF EVENTS**

May 4th & 5 <sup>th</sup>	Network # 1 Meeting at Dubbo
May 11th & 12 <sup>th</sup>	Network # 2 Meeting at Kempsey
May 25th & 26 <sup>th</sup>	Network # 3 Meeting at Bay of Islands NZ
June 8th & 9 <sup>th</sup>	Network # 6 Meeting at Adelaide.
June 15th & 16 <sup>th</sup>	Network # 4 Meeting at Melbourne.
September 7th & 8 <sup>th</sup>	Young Guns Meeting at Wagga Wagga
September 14th & 15 <sup>th</sup>	Network # 5 Meeting at Toowoomba
November 2nd & 3 <sup>rd</sup>	Network # 6 Meeting at Naracoorte.
November 9th & 10 <sup>th</sup>	Network # 2 Meeting at Parramatta
November 16th & 17 <sup>th</sup>	Network # 3 Meeting at Port Douglas

There are other network meetings and events that are still being clarified and this calendar will be updated from time to time to keep you up to date.