

QUESTIONS AND ANSWERS

Q Is it unethical for an accountancy firm to have a non-accountant partner?

Elizabeth Allen

A Board structures can vary considerably. To tackle the issue of effectiveness, it is probably better to have a mix of skills so that an organisation can fulfil its strategic responsibilities and still maintain accountability. Having someone without the relevant technical expertise can help provide a balanced leadership.

However, non-accountants should be considered on the basis of their relevance to the organisation. If they have strategic management experience, they can bring with them a breadth of knowledge. Also, an individual who is not too close to the day-to-day functions is likely to offer a fair-minded, independent view.

Petra Cook, head of policy at the Chartered Management Institute

Q Are virtual assistants suitable for SMEs or just large companies?

Name and address supplied

A Although a new phenomenon in the UK, virtual assistants are already gaining in popularity in the US. A virtual assistant is effectively an outsourced member of staff who has the flexibility to work from home or abroad. This is a natural progression from communications advances, providing a new business opportunity for a whole raft of professionals including PAs, lawyers, plus bookkeepers and accountants.

Larger firms are not the only ones who can benefit from employing virtual assistants. Start-up companies are particularly suited as they can employ staff on a minimal budget.

Technology is enabling developments of this kind, utilising remote

access for the virtual assistant to the company's main PC. Microsoft is driving towards this end by shipping its remote assistance system with all copies of Windows XP.

Simon Turner, group development director at IRIS Software

Q When starting a new practice, what are the pros and cons of opting for the general practice route or specialising in an area such as accounting and IT/systems consultancy?

Jonathan Freeman

A Do you want a lifestyle business that relies on you all the time or one that has value? A lifestyle business can be very profitable, but the flipside is that you're tied to it.

If you go for Type One services – traditional accountancy services such as tax returns and auditing – there are lots of tools available, or you can outsource to somewhere like India, so it has the potential to be a great value-adding business.

If, on the other hand, you decide to offer Type Two services – all the non-traditional services like IT consultancy, strategic planning consultancy and tax planning – we would advise not to run both types with the same structure. That's simply because high-value consultancy and more traditional accounting services are very different businesses. It really boils down to lifestyle versus value.

Gordon Gilchrist, marketing director of 20/20 Consulting

Q Is there any accounting software for general practice, medical practice and doctor surgeries?

Ruth Reed

A The simple answer is yes, several. A quick search on the internet will generate a string of possible applications. These include generic practice management systems, as well as systems developed for specialist medical services, such as chiropractic, plastic surgery and fertility specialists.

Software is also available for specific functions, such as claim submission and billing.

When considering new software, identify the needs of the surgery. Do they require a full practice management system or are they looking for a financial system only, in which case might a generic accounting application be appropriate?

Once the processing, recording and reporting requirements are clear, then the practice can search for an appropriate solution.

External factors should be considered. Is there a need to integrate the practice systems with systems used by partner organisations? Also consider future requirements.

Mark Holland, a partner in Baker Tilly's information systems advisory services group

Q I am considering admitting a partner and we wish to expand by about £50,000 to £100,000 in terms of fees in the first year. How should we market ourselves and/or acquire a block of fees up to £100,000?

Nagin Khajuria

A What type of new business do you want? Consider what services you want to provide and the size of clients you want to attract. The easiest way for most practices to grow is to sell more to their existing client base, as most client databases contain an untapped gold mine. To help find out what services your existing clients need, use a client care survey.

The acquisition of a block of fees is often achieved through personal contacts, though you can look at the small ads in trade magazines or use specialist agencies. You could also consider purchasing another practice, or speaking to a larger practice with a higher cost base than yours, as they may have clients they cannot service profitably and you can.

Gary Pavitt, senior business consultant of Icon Business Solutions

our experts are...



Do you or your clients have a particular problem that you want our panel of experts to address? Send your questions to 'Ask the Experts' and we'll do our best to help provide a steer. You can contact us by email at asktheexperts@bestpractice.com, by fax on 0207 316 9250 or by post to 'Ask the Experts', c/o Rachael Singh, Best Practice, VNU House, 32-34 Broadwick Street, London W1A 2HG.