



Predicting an Unknown Future

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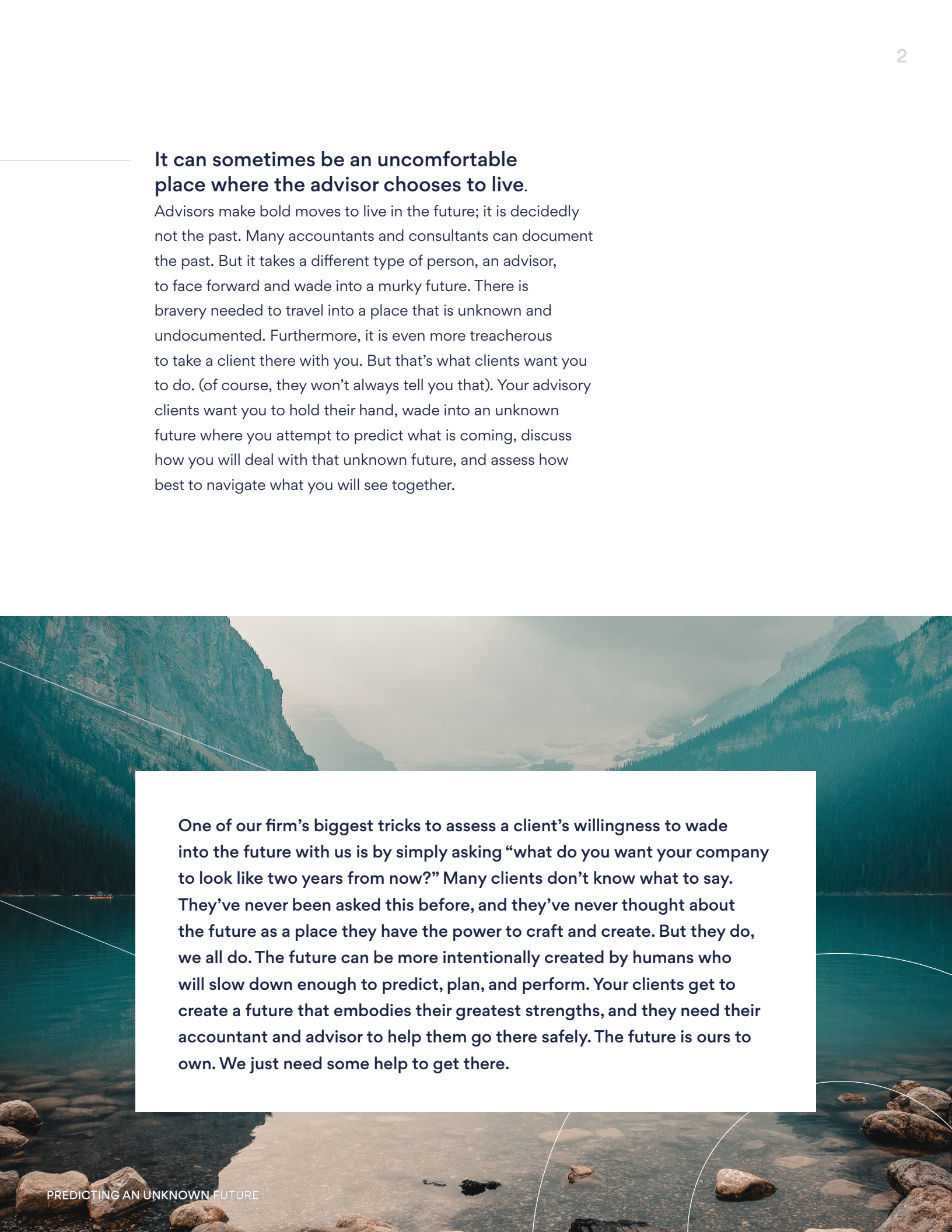
Thriveal



Fathom

It can sometimes be an uncomfortable place where the advisor chooses to live.

Advisors make bold moves to live in the future; it is decidedly not the past. Many accountants and consultants can document the past. But it takes a different type of person, an advisor, to face forward and wade into a murky future. There is bravery needed to travel into a place that is unknown and undocumented. Furthermore, it is even more treacherous to take a client there with you. But that's what clients want you to do. (of course, they won't always tell you that). Your advisory clients want you to hold their hand, wade into an unknown future where you attempt to predict what is coming, discuss how you will deal with that unknown future, and assess how best to navigate what you will see together.

A scenic landscape photograph of a mountain range with a lake in the foreground, overlaid with a white text box. The image shows a vast, misty mountain range with a calm lake in the foreground. The sky is hazy, and the water reflects the surrounding environment. The text box is centered in the lower half of the image.

One of our firm's biggest tricks to assess a client's willingness to wade into the future with us is by simply asking "what do you want your company to look like two years from now?" Many clients don't know what to say. They've never been asked this before, and they've never thought about the future as a place they have the power to craft and create. But they do, we all do. The future can be more intentionally created by humans who will slow down enough to predict, plan, and perform. Your clients get to create a future that embodies their greatest strengths, and they need their accountant and advisor to help them go there safely. The future is ours to own. We just need some help to get there.



Two Particular Aspects of the Future

It can sometimes be an uncomfortable place where the advisor chooses to live. Advisors make bold moves to live in the future; it is decidedly not the past. Many accountants and consultants can document the past. But it takes a different type of person, an advisor, to face forward and wade into a murky future. There is bravery needed to travel into a place that is unknown and undocumented. Furthermore, it is even more treacherous to take a client there with you. But that's what clients want you to do. (of course, they won't always tell you that). Your advisory clients want you to hold their hand, wade into an unknown future where you attempt to predict what is coming, discuss how you will deal with that unknown future, and assess how best to navigate what you will see together.

Before we begin talking about our client's numbers displayed on the Fathom screen, we first tell them what they are looking at. We say "you are looking at a product called Fathom and it displays financial insights to help you make better business decisions." Since advisory is so murky, and since we want to support our clients to live with intention, we have to be extremely elementary about the world they are looking at. Advisors leave nothing to be imagined, so we tell our clients openly what they are seeing, why it is displayed in this way, what the buttons are doing, why things are labeled that way, why we used various colors, and how they should read and interpret the data they are seeing. In our first advisory meeting with a new client, we help our clients think strategically by telling them how to think about the future being displayed on the screen.

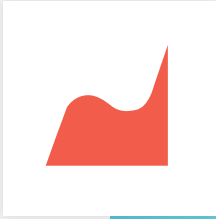
The best way to make assessments as to the success of your business is to compare current actual results to predicted (e.g. forecasted or budgeted) results. One consistently compared to the other shows how inaccurate the client continues to be, which leads to stronger decision making in the future.

Transformation is the Goal. Though the future is unknown, it is where transformation exists. The past teaches us many things about what happened along with the related lessons, but the future is where we can improve, apply our learning, and make it excellent. We can not change the past, but we will be transformed by our future. Advisors live in an unknown future. Advisors are brave enough to step into the future of their clients' numbers, explain what they may see, and then ask how it can shape them.

Displaying advisory trends (my favorite part of Fathom) and the Goalseek aspect of displaying financial numbers takes time to prepare. Our team goes through a process before displaying any future prediction of a client's numbers. Since the future is untamed, we need each other to see what others don't see and to prepare for our advisory meeting to go well. Our team prepares financial information, displays it in Fathom, has the numbers reviewed by a Manager in our firm, and then prepares comments and points to cover in an agenda during the upcoming advisory 'growth conversation' (which is what our firm calls our advisory meetings).

One of the safest ways to seek the transformation we can find in the future is to rely on financial advisory products that are deeply embedded and integrated with our client's accounting systems. Integrated advisory products bring stability to our financial reporting and allow us to be more accurate and focus on the main thing: transformation. The purpose of solid accounting is not solid reporting (though that will be the result). Instead, it is the reporting of information in ways that allow us to see our stories more clearly and begin to make changes that transform us and our clients.

One practice we see often in our clients is their desire to predict the future using spreadsheets. Spreadsheets have a certain allure. They can be anything you want, and entrepreneurs love unbounded freedom to create anything they want. But that lack of constraints that spreadsheets bring ultimately lead to bulky prediction tools that are too manual to update, and often fail to reflect the reality of their accounting numbers. Our firm's goal is to always pipe the future of a client's transformation safely through a well-built tool like Fathom. We are always trying to 'sunset our client's spreadsheets', and we tell them so at the outset of each engagement.



Advisory Principles on the Future

Principles are the truths entrepreneurs, consultants, and advisors live by. They are signposts of our past learning, and places we can go to when we get lost. Ray Dalio, author of Principles says “principles are what allow you to live a life consistent with your values. Principles connect your values to your actions.” Advisory principles are crafted statements of how and why advisors do what they do.

Let’s explore four advisory principles for the future.

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PRINCIPLE #1:

Advisors take risks to help clients navigate their future

Risks are necessary for entrepreneurs. No business owner can grow or change without leveraging the safe use of risks. Taking risks is a skill and the advisor that commits themselves to this practice will get better at it with time. It is not particularly risky to show a client a set of financial statements and tell them what happened in the past. Many clients can do that themselves (if they'll take time to look). But it is the advisor as the sherpa that takes a client into the future with the risk that their direction, predictions and applications may go wrong. That is risky. The payoff can be huge for the client if the advisor gets it right. But the advisory must lead the way regardless of the risk.





PRINCIPLE #2:

The future is chaotic

In our second principle, we note a problem with the future - it's difficult to wrangle. The future is chaotic so it must be tamed. Whatever place we wade into the future we know that it will take work to put it in order, document what we hope to see and explain what we want the future to be. But we will not be able to fully control the future we wade into. So the wise advisor knows that they will always battle the untamed, chaotic future information they've been given. Advisors aren't surprised when their future analysis or prediction doesn't work out. They make plans for that. Advisors know that building analyses takes time to teach too. They spend time teaching their team to make time in their schedules to manage the unwieldy nature of the future. And when the future is tamed - even a little - the client is changed for the better.



PRINCIPLE #3:**Future-oriented advisory takes bravery**

If the future is risky and chaotic, then it stands to reason that it takes guts to venture into that future. Advisors need to take time to weigh the decision to work with data in the future, and so you must know what you are getting into. We all may wrestle with fear in our decision to sell a new financial data analysis package to a needy client. But they need us to sell it to them so they can perhaps be shown what change can be. You can be brave and fearful at the same time (many of those who change lives are both of those). Bravery is the courage to act on what you know to be right even in the face of fear. You will have to be brave to walk into an advisory meeting for the first time with a client discussing and predicting their future. It's okay. All of us are.



PRINCIPLE #4:**Strategy (or Intention) is found
in the future, not the past**

Do you want to help your clients be strategic? Then have them live in the future. Strategy is just another name for intention. Being intentional is being strategic. When your clients run their businesses with intention, they are being strategic. You can support them living in that way by displaying analysis about the future and making predictions of the future based on information from the past. No one can be intentional about the past, so all of our greatest change and transformation when we live forward with intention. Taking your clients into the future will force them to be intentional about their businesses. And since accounting systems are created to accurately display the past, you need additional integrated tools to predict the future.





ABOUT Jason Blumer

Jason founded Thriveal in 2010 as a way to help entrepreneurial CPA firm owners connect, learn, and grow. He serves as the Visionary and CEO of Thriveal, and his partner Julie Shipp serves as the Integrator and COO of the organization. Since 2010, Thriveal has helped many small firms grow by providing a community, coaching services, webinars, firm consulting, monthly growth groups, and live events. Deeper Weekend is the annual live event by Thriveal, now in its 10th year.

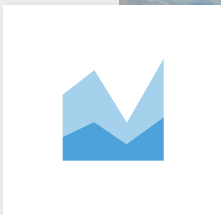
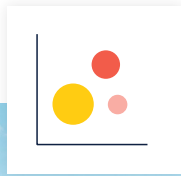
Jason is also the CEO of Blumer & Associates, CPAs. The firm was one of the first to move from a traditional office to a virtual environment in 2012, where they serve as an advisory firm for the design, marketing, and creative agency services niches. He and his partner focus on business consulting and coaching with the owners and partners of firms and agencies, while their team meets the technical and financial compliance needs of the customer.

Jason is the co-host of two podcasts, the Thrivecast (since 2011) and The Businessology Show (since 2013) and speaks and writes frequently for the financial and creative industries. He has been honored as one of the Top 100 Most Influential People in Accounting (Accounting Today).

ABOUT Fathom

Fathom is transforming the way people create beautiful management reports and access timely business insights. We've helped thousands of advisors and business owners around the world to gain the valuable insights they need to make better business decisions.

With Fathom, you get a full suite of in-depth analysis, reporting and forecasting tools that help you see exactly how well your client or business is performing. You can monitor trends, design forecasts, and identify improvement opportunities quickly and easily. For more on what you can do with Fathom, and to try it for free for 14 days, visit fathomhq.com.



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