

# Making Your Accountant a Long-Term Business Adviser

When assembling your team of professionals who provide support and services to your business, every business owner has different needs and circumstances. Industrial specialties, knowledge of specific technical platforms, adeptness with certain company sizes and types of businesses, and ability to best serve businesses in various growth stages come to mind.

You're apt to only call a business consultant when you have a specific problem that needs to be solved. Or your insurance broker when you change locations or buy new property. Most small business owners communicate more frequently with their accountant due to ongoing tax and recordkeeping needs. But there's more to that frequent communication than what meets the eye: [5 out of 6 small business owners](#) say that they trust their accountant with long-term business advice compared to their attorneys, financial planners, or family and friends who are privy to their business dealings.

Why would entrepreneurs make their accountant more of a long-term business adviser instead of simply a professional they can count on at tax time, or properly handling debits and credits?

## Accountants Can Detect Financial Problems as They Arise

Financial statement preparation is only part of the job. Recording the numbers that comprise those statements and what gets reported on your tax return requires a different degree of parsing what they actually mean.

For instance, financial statements may indicate a major change in year-over-year revenue that looks positive. But in examining expenditures more closely, your accountant can help you determine where you can save money, where you should prioritize your investing activities, and how to properly scale and maintain the growth you're experiencing. If your business is also generating revenue but not collecting cash efficiently, accountants often detect these patterns before managers and owner-operators can.

Thanks to accounting platform technology where outsourced accountants can see updated figures in real time as business owners enter this information, today's accountant is more capable of accurately providing a degree of business intelligence they could not in the past. In becoming familiar with your business processes and financial patterns, this has made accountants more indispensable as a long-term business adviser.

## Times of Growth Can Be Fraught with Bad Advice from Peers and Other Professionals

When your accountant has become familiar with your business goals, processes, and regularities in cash flows, this gives them more ground to better advise you when your business grows or experiences significant changes.

They can help keep your goals in check and make realistic expectations that go beyond simple market forces. In planning for your long-term tax and financial needs, your accountant will be invaluable in helping you shift from one owner to several, hiring your first employees, and other transitional periods that can be as awkward and expensive as they are exciting. As routine transactions pile up and more lucrative transactions more complex, you may also receive conflicting advice from other professionals like attorneys and consultants who do not transact with your company as often as your accountant would.

When you invest more in having your accountant on board as an adviser you can regularly call on and see your business through growth and change, you have another frame of reference you can trust to make more informed business decisions. Because accountants have to examine your overall business environment, not just your revenue and expenses, this gives them a much more thorough picture of your company and how your goals can be refined and processes improved.

## Accountants Are Required to Stay Updated on Multiple Regulatory Shifts

Every professional needs to stay updated through continuing education to maintain their licenses and better serve their clients. Accountants are no exception. However, accountants simply have a wider breadth of topics in which they must stay on top of when compared to other fields.

Changes in tax and labor laws, financial accounting standards, technology, business norms, and outcomes of Tax Court and Supreme Court cases all affect the way that businesses operate. Accountants are expressly updated on these matters so that you can focus more on business operations, while you rely on them for advice in how to handle the constant onslaught of regulatory changes that challenge business owners.

## Business Finances Don't Solely Impact Your Enterprise

Since your accountant has a "bird's eye" view of your business operations, it inadvertently gives them a window into your personal life and finances as well. The IRS considers those factors when examining tax returns, some lenders and government agencies also consider them when deciding if they should give you business funding. Your accountant also sees how your business impacts your personal finances and even if they only prepare business financials for you and not your personal tax returns, this is why more people turn to them for long-term business advice.

What may make sense on a business standpoint can prove disastrous for your personal finances, and your accountant is there to help you through it. Many aspects of your personal life are also interconnected with your business: marriage and divorce, having children, planning for your retirement, estate planning, and relocation will impact your financial decision-making just as much as they effect your day-to-day life.

What happens to your business when you die? Will you suddenly pay thousands more in business taxes moving just 10 miles? Owning a business gives you distinct benefits and disadvantages in

making the right choices for your personal financial security and/or that of your family, and your accountant can guide you as your personal life changes in turn.

Business and personal finances uncontrollably intersect. Since working with your accountant more often than other trusted professionals is expected, it's no wonder that most small business owners look to their accountants as a long-term business adviser who will be there for every triumph and challenge that their business will go through.

Jeff Lipsey and Associates can assist small business owners with figuring out the right accounting solutions for their needs that help their businesses grow and thrive over time. Contact us today to speak to one of our friendly and professional business tax experts.