

FINANCIAL REVIEW

Flexibility is the new currency

by Agnes King

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Entrepreneur Annie Flanagan believes her methods 'will become the norm in the accounting profession'.

Photo: Louise Kennerley

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Disruptors are industry outsiders. Not always. But often. Freelancer.com's Matt Barry didn't have a background in recruitment. Neither does OneShift's Genevieve George.

The founder of bookkeeper Better Business Basics, Annie Flannagan, counts herself among these esteemed entrepreneurs, shaking up established industries.

Not because she pulled off a \$15 million initial public offering like Barry. Or a \$5 million capital raising like George. But because, after 10 years in fashion, Flannagan is applying a new, and some would say radical, business model to the accounting profession.

Ms Flannagan will expand her multimillion-dollar bookkeeping business into Brisbane in 2014, on the back of demand from mid-market accounting firms that want to cut costs but are reluctant to send client work offshore.

Better Business Basics has grown from zero to 25 staff in six years. Founded in Adelaide, it cracked the Sydney market in 2011, and Melbourne last year. But it's not the size of the company that's impressive, or necessarily its growth rate of 40 per cent per annum each year for the past four.

It is the constitution of Better Business Basics' workforce that raises eyebrows: highly qualified, mostly part-time women (and increasingly men) who have dropped out of big four accounting firms at relatively senior levels, in search of flexible work hours and interesting assignments.

This constitutes about half of Better Business Basics' workforce. The rest come from commercial organisations where they quit well-paid financial controller positions for much the same reason. "Big institutions haven't figured out how to accelerate women's careers while they have kids," says Flannagan.

Better Business Basics has no fixed offices. Its systems are all cloud-based. This keeps overheads low, says Flannagan. "Our hourly rates of \$65-\$70 can't be touched by the big accounting firms," she says.

Need for innovation

The way it recruits is also unique. Instead of shoehorning staff into prescribed work hours, it asks staff what hours they can work, then finds clients to match. Flannagan is convinced "the way we do things will become the norm in the accounting profession".

"Big organisations want to, but are so hamstrung by tradition, and the cultural model they have makes it - difficult to make these changes quickly," she says.

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Deloitte chief executive Giam Swiegers has been banging on for years, with increasing urgency, about the need for innovation and agility in accounting services, to stave off the threat of digital disruption and new entrants who are breaking old models.

Others closer to the profession have also moved to capitalise on the gap identified by Flannagan. Earlier this year, professional services consultancy Beaton Capital backed an entrepreneurial venture, ProfessionalMums.net, designed to boost the retention rate of working mothers and improve gender diversity at partner level in big professional services firms.

ProfessionalMums.net is a Seek.com-type database for working mothers in professional services. Instead of applying for jobs, women list their skills and firms make the approach.

Desperate for a more “elastic” workforce, PwC, EY, law firm Clayton Utz and engineering giant Arup, all signed up. PwC head of diversity Richard Deutsch sees it as an opportunity to develop a “bench” of skilled workers to draw on as required.

“There’s a real hunger for that more mature, experienced employee who also applies currency to flexibility,” says ProfessionalMums.net chief executive Kate Mills.

Trial and error

It has taken five years of trial and error for Flannagan to refine the Better Business Basics model to the point it can be replicated quickly in new regions.

“I spent five years in Adelaide testing if I could multiply top performing staff and work practices,” she says. “Manufacturing is easy to replicate but the service industry is hard.”

Flannagan proved it could work. It took 16 weeks to secure her first client when she expanded into the Sydney market, but by the time she launched in Melbourne, she’d pared that back by half, to an eight-week turnaround.