



HOW TO CHOOSE AN ACCOUNTANT

CHOOSING A FINANCIAL ADVISOR OR ACCOUNTANT FOR YOUR SME

Banks need reliable, transparent financial information when making credit decisions. A financial advisor or accountant can advise you on when it could be advantageous to seek out a bank, and help you calculate, compile, and present your information to banks.

But not all accountants and financial advisors have equal skills. Some accountants focus exclusively on bookkeeping or tax; these professionals may not

be best placed to have an advisory role, supporting you and your business to develop and grow into the future.

Often, SMEs choose a financial advisor or accountant based on the price of their services or a recommendation from an acquaintance, without much consideration. Given the important role they can have, it is important to choose wisely.

6 QUESTIONS TO KEEP IN MIND

1

Do they have the necessary credentials?

In Serbia, there is an Association of Accountants and a Chamber of Auditors. Ask your potential candidate if they are a member of one of these and/or have other qualifications, from national or

international institutions. These qualifications can give you an indication of whether the accountant or financial advisor you want to recruit, has a reasonable level of education and training.

2

What is their client base and their industry expertise?

Ask the potential accountant if they have experience in your sector or industry. While this expertise is not always necessary, it could be important to help them understand the unique needs of your business. For example, if you are an export-oriented manufacturing company, and the potential accountant has only worked for service-oriented companies focused on the domestic market, they might not be up-to-date on the necessary laws, rules, and business issues that are relevant to your company.

Also, if your goal is to grow and expand, you may want to ask them if they have clients of the size profile you aim to achieve (in terms of revenue and number of employees, for example). If they do, it's a good sign as you'll know they should be able to handle your growing needs over time. Ask them about how their clients have grown and developed over the years, to get a sense of whether they'll be able to handle the evolving needs of your company.

3

What kind of work do they do for their clients?

If their work focuses on book-keeping and preparing annual financial statements to satisfy legal obligations, it is likely that they are not accustomed to working as a true financial advisor. A financial advisor will be more proactive, helping

you save money and manage your finances. They should be able to help you to identify financing needs, and advise on the most common financial solutions that are available in the market that can suit your needs.

4

Do they have enough time for you?

If they have a lot of clients and a very small team, it is unlikely they will. One test is to see if the potential accountant responds to your questions in a reasonable amount of time, and in a satisfactory manner. If they seem rushed, or if

they dismiss your questions as not important, this could be an indication that they are either unable or unwilling to give you the financial advice you need.

5

How important is face-to-face interaction to you?

In the past, your accountant had to be based near you, preferably in the same city. Nowadays, this is no longer a requirement, as technology allows companies and accountants to work together over the internet, sharing information and holding “meetings” over skype and similar means.

The decision on where your accountant should be located depends on what you feel most comfortable with. If you have a good internet

connection, your accountant would be anywhere. You can find someone who really understands your business, regardless of where they are based.

On the other hand, if you want face-to-face contact and/or want someone who’s able to go to business meetings with you, you will want to find an accountant that is physically located near you or willing to come to you from time to time.

6

What software do they use?

Do you use accounting software? Is the potential accountant familiar with it? If not, this can be a problem since sharing data securely could become an issue. E-mail is not a secure way of transmitting data, which means that if you’re communicating this way, there’s also the risk

of your highly sensitive financial information being accessed by a third party. Financial data should be encrypted, so that even if a third party accesses it, they will not be able to read it and it will not make sense to them.

SUMMING UP

CONSIDER IT AN INVESTMENT

While everyone wants to save money, consider a good accountant or financial advisor as an investment in your company. Be careful about choosing an advisor based on price. Good accountants can help your company grow, by managing complex financial work and offering advice on practical business issues. This can save you money in the short and long term.

Approach choosing an accountant or financial advisor as you would hiring an important employee in your company. Get a few recommendations, and interview them. Ask them for a few references of existing clients, and call them. Does the prospective advisor do similar types of work for these clients? How satisfied are they with the work they have done? Are they mostly oriented around bookkeeping, or are they more proactive, giving financial advice and guidance?

Having a competent financial advisor can be an important asset to your company, since their work can have a direct impact on how your company will be perceived by the bank: as either more or less reliable and trustworthy. So choose wisely!

