



How to run an advisory meeting with Fathom



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Introduction

Fathom is a valuable tool for providing business insights and detailed performance reports. Fathom can also help strengthen relationships and guide client advisory meetings.

Fathom provides a range of interactive dashboards which we refer to as the “Analysis tools”. Each tool helps to assess different areas of a business’s performance and financial health, and each provides a presentation-ready set of visuals that enable a conversation about your client’s numbers. You can use these tools in your presentations and meetings with your clients or management team.

We recently caught up with **Ken LaCroix** from **Insightful Partners**. Ken walked us through his approach to using Fathom in his client engagement. Discover how Ken runs advisory meetings directly from the Fathom presentation dashboard and how this adds value for his clients.



What is an advisory meeting?

At an advisory meeting, you invite your client to meet with you to review their business performance. Typically, you will walk them through their business insights via KPIs, Profitability, Cash Flow, Trends, Goals, and more. The client is able to ask questions in regards to past and future performance and discuss the presentation and reports.

During this meeting, your team can challenge ideas, stimulate thinking, and ask the right questions to unlock business insights.

After the meeting, notes on the discussion and recorded insights and action items can be sent to the client for follow-up.

Why do you need advisory meetings?

Many business owners feel distracted by the volume of emails, messages, and meeting requests they receive every day. They have so much information at their fingertips, they don't have time to process any of it.

In deference to this, service companies like accountants, lawyers, and agencies have been actively working to reduce the amount of mental clutter by paring back time-consuming communication—meetings, lengthy email exchanges, etc—in favour of short snippets of content which can be digested when convenient. This solution aims to provide value to the business owner by eliminating mental clutter and giving them the space to work on growth tasks in their own time.

Most business owners have very little spare time in their day, and what little they do have tends to get filled up long before they can get to anything in their “I should look at this” stack. When that means missing out on something as vital as financial insights that could influence their business strategy going forward, this can hurt the business.

That's why many advisors are discovering their clients want to meet in-person. They want time blocked out on their calendar to study the insights, ask questions and brainstorm solutions.

Ken from Insightful Partners has discovered advisory meetings enable clients to truly understand their financial results and “focus on the signals, not the noise.” As part of his service package, Ken invites stakeholders to a regular meeting—either in-person or via [Zoom](#)—to go over their financial insights. These meetings help the Insightful Partners team to stay in touch with clients on a regular basis and keep the client focused on their business goals.

“Focus on the signals, not the noise.”

How to run an advisory meeting with Fathom

Advisory meetings help your team to keep in regular contact with clients. As part of onboarding, set a schedule for your advisory meetings—monthly, quarterly, or yearly, depending on the client’s needs. Most of the time this is going to be either monthly or quarterly but will depend on the client’s needs. Advisory meetings can be in-person or online using an app like Zoom.

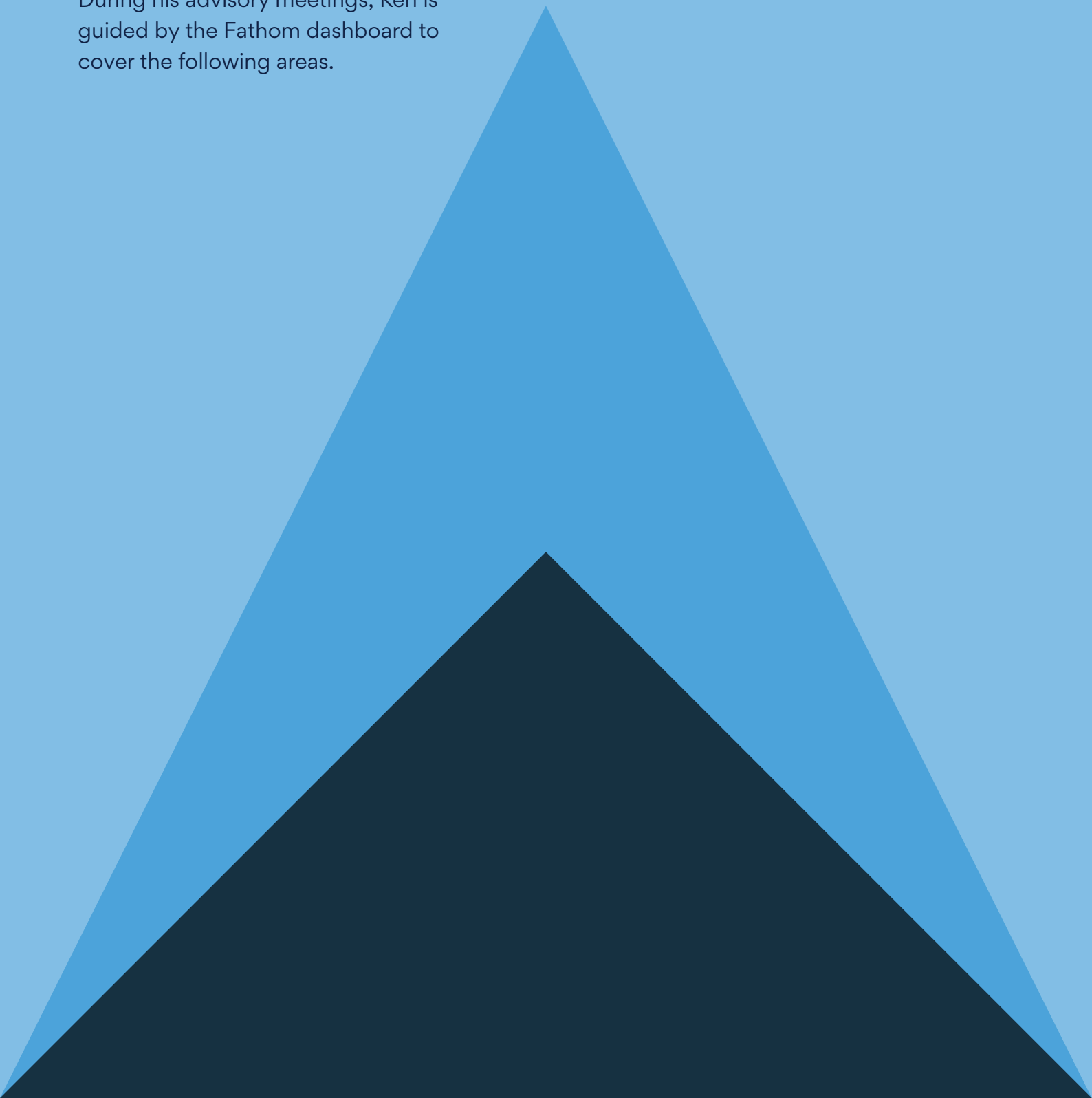
Ken suggests designing your meetings around the presentation format in **Fathom’s Analysis Tools**. That way, your team can simply log in and run through Fathom together, during the meeting. The various visualisations then help to guide and facilitate the conversation with the client.

The analysis dashboard has been designed to reflect a natural progression from top-level KPI reviews through to discussing profitability, cash flow, growth, and finishing with detailed financial statements. The aim of this approach is for clients to leave the meeting with a comprehensive understanding of their financial results.

Throughout the meeting, you may have your team take notes on the discussions, insights and action items. You can then add those to the printed Fathom reports you send the client after the meeting.

Inside the Fathom dashboard

During his advisory meetings, Ken is guided by the Fathom dashboard to cover the following areas.



KPI Tool

The KPI Tool gives a top-level view of the results for the period.

According to Ken, you'll probably spend the bulk of your meeting time focused on this tool. Ken recommends taking advantage of having Fathom open during the discussion. "Having Fathom open during the meeting means we can do analysis on-the-fly, and limit the number of action items to be followed-up after the meeting."

You can compare the KPI results to the previous period, to a plan, and to the same period last year. Use this to drive the discussion.

- Which KPIs have achieved favourable / unfavourable results?
- What events have led to these results?
- Are there any actions that could be investigated?

Having Fathom open during the meeting means we can do analysis on-the-fly, and limit the number of action items to be followed-up after the meeting.

KPI Explorer

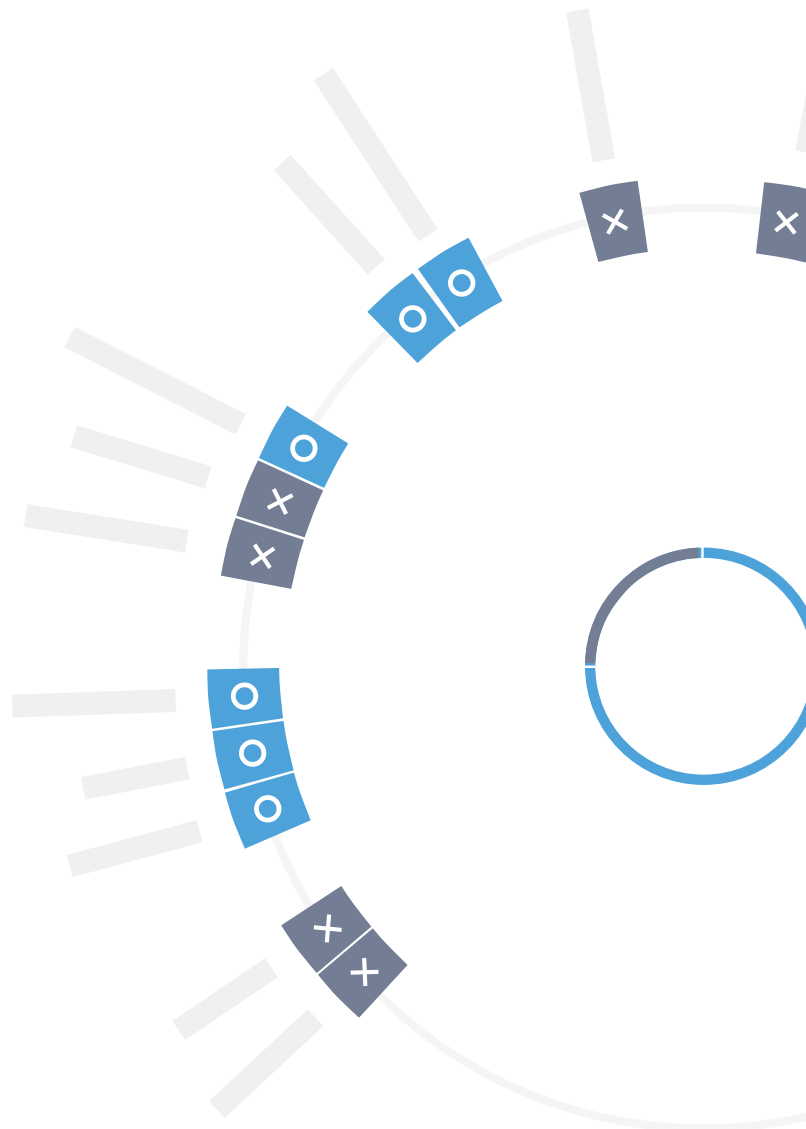
After the KPI results, move to the KPI Explorer. Ken recommends using this to highlight what went well in the period and what did not go well:

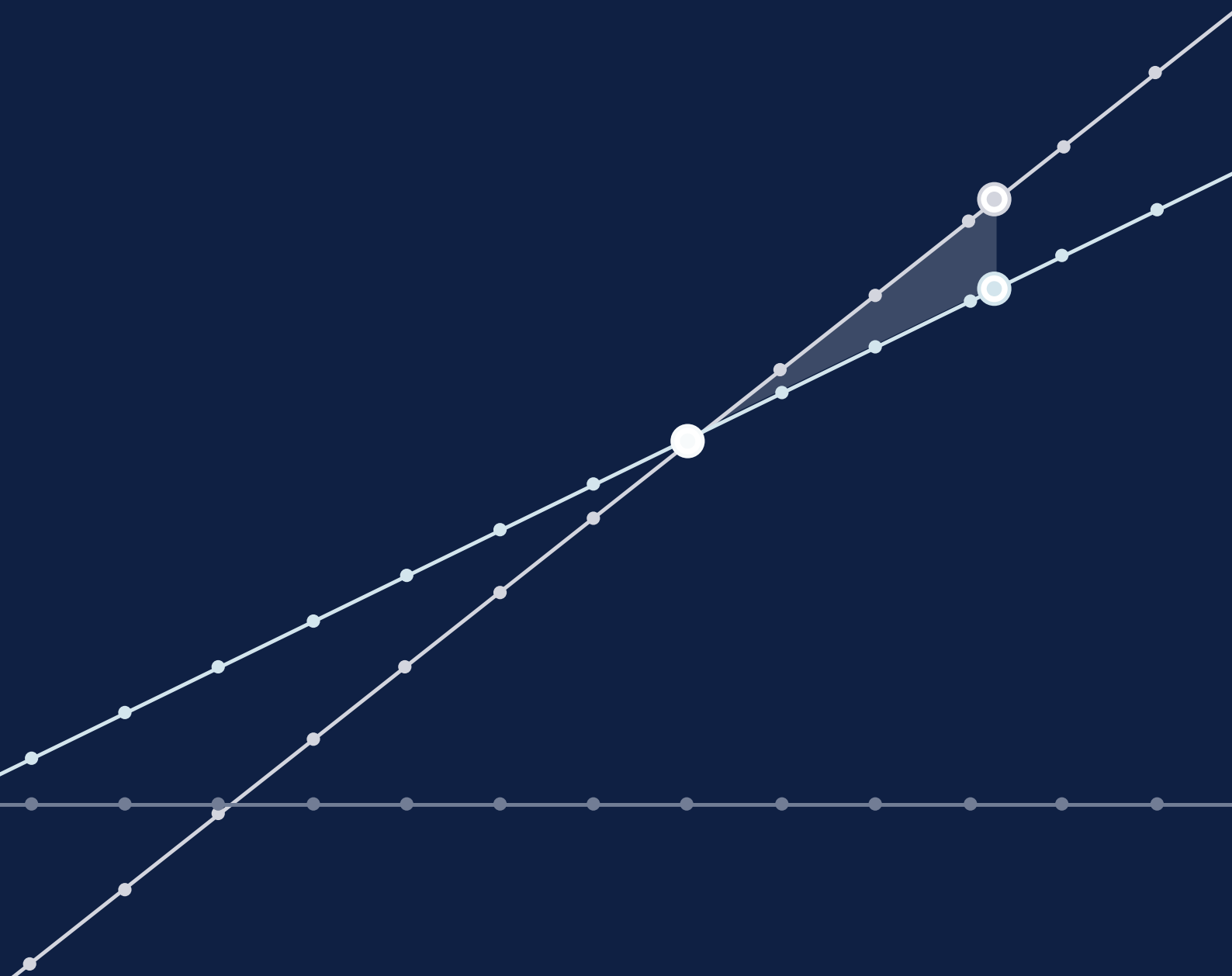
Sort by Perspective identifies the areas of performance where the client might want to focus their future efforts. It also highlights successes to celebrate.

Sort by Importance shows KPIs based on their importance - low, medium, high and critical. This view gives you an instant snapshot of the KPIs, their importance and whether they are on or off track.

Ensure that you:

- Highlight what went well in the period
- Highlight what did not go well
- Discuss the drivers of the results





Profitability Tool

Ken finds the Profitability Tool drives discussion around fixed and variable costs, break-even, and margin of safety. What's great about this tool is that these are all concepts that are difficult to get across verbally or through a printed format, so having the interactive tool on the screen will enable you to demonstrate the differences and the impact. You may find that you don't need this tool for all clients.

Discuss:

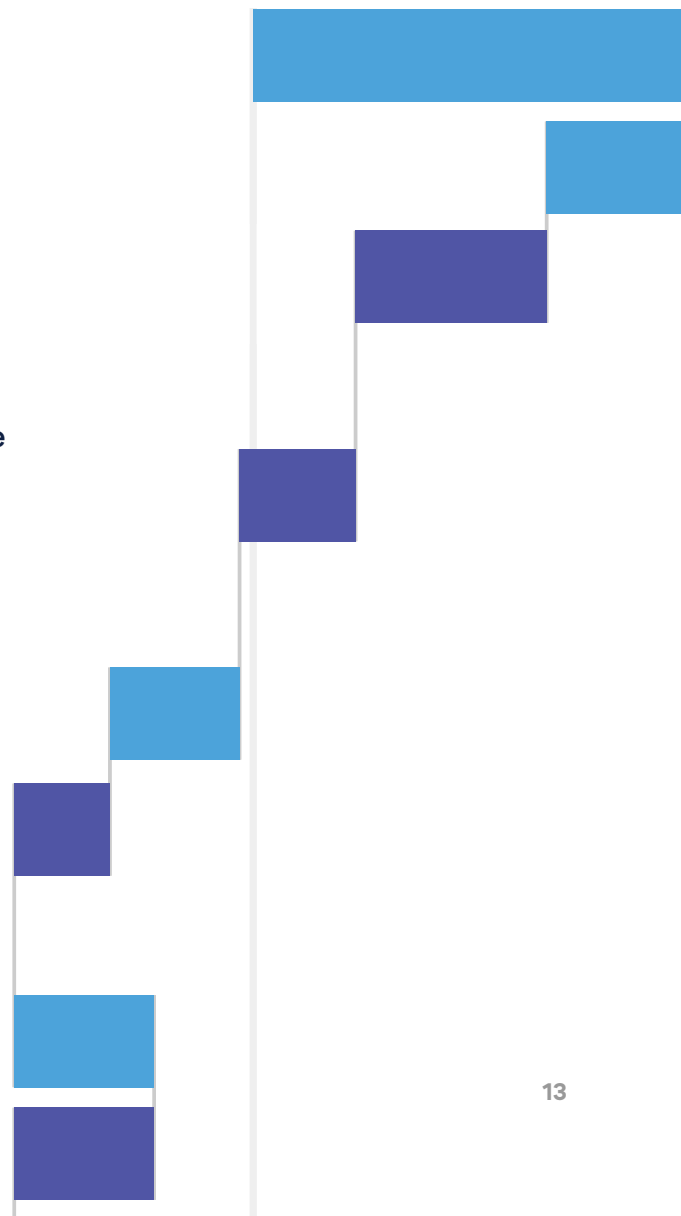
- Fixed costs
- The breakeven point
- Contribution margin
- Are profit margins increasing / decreasing?
- How much of a downturn can the business handle?

Cash Flow Tool

Every business owner wants to know, “Where did my money go?” The Cash Flow Tool answers this question. Ken finds his clients are particularly fascinated by this tool, and it can drive an important discussion about managing receivables and payables, and the “bridge” between accrual accounting and cash in the bank.

Insightful Partners have found that displaying the Cash Flow Tool helps their clients to realise they need to stop being a “bank” to their customers, and also the extent they “borrow” from their suppliers. Use this tool to drive discussion around:

- Cash flow for current month and year to date**
- The importance of managing receivables and payables**
- Where the client can tighten up on cash receivables to avoid “being a bank”**
- Is cash flow sourced from core operations, or financing and investing activities?**
- Is cash flow diminishing? Sustainable or subject to fluctuations?**



Trend tool

We recommend using the Trend Tool to identify if changes in strategy or actions taken as part of your advisory engagement are positively impacting business results. For this reason, firms find the tool increases in value during a client's engagement.

Ken also finds it useful in the beginning, as he finds it helps him to unearth the client's current accounting process.

During an advisory meeting, you can use this tool to perform ad-hoc analysis of anything that surfaces during the discussion. You can pull up the results so everyone can see graphically, in real time, what to focus on.

- Key trends e.g. Are profit margins eroding? Debtor days increasing? Creditor days decreasing?**
- How well the client may be matching revenue with the expenses associated with generating that revenue in the period**
- Ad-hoc analysis of anything that surfaces in the meeting (instead of waiting until after the meeting)**

Goalseek

Use Goalseek to highlight the impact of business drivers on financial results. Clients have a tendency to think that all their numbers have an equal impact on their results. Ken explains that Goalseek can show that, “For elements that have a high sensitivity, relatively small changes have a large impact. Those with low sensitivity require much larger changes.” See the following matrix.

	Small change	Large change
High sensitivity	Large Impact	Extreme Impact
Low sensitivity	Low Impact	Medium Impact

Insightful Partners use Goalseek to help create an action plan for attaining goals, as they can get buy-in from the client on what realistically can be accomplished, and who is responsible for this change. Ensure that you:

- Discuss and explain the drivers of financial performance**
- Explain that not all numbers have the same impact on results—see matrix**
- Agree on what needs to change to hit the required goals**
- Create an action plan for hitting the required goals—what realistically can be accomplished, and who is responsible for which measure**

Financials

For the final part of the meeting, Ken focuses on financial statements. “If you’ve run a successful meeting, then nothing in the financials should come as a surprise to the client,” he explains.

The financials allows you to discuss any accounts that may have budget variances or variances from prior periods. Financials also enable you to drill down into further detail (ie. to view a breakdown of a specific expense account by department or location).

By using Fathom interactively, everyone is looking at the same numbers at the same time—this keeps everyone on track and the analysis focused and efficient.

Here you should:

- See if any accounts are subject to fluctuations e.g. Are there any major one-off expenses?**
- Review accounts that may have budget variances or meaningful changes from:**
 - Prior periods
 - Prior years
- Use common size analysis to quickly identify and review material expenditures**

“Everyone is looking at the same numbers at the same time – this keeps everyone on track.”



After the meeting

Once the meeting is finished, we recommend gathering up any notes, discussion points, and action items, and incorporating those into your report using Fathom's report editor. Then, email a copy of the report through to the client. They can keep a digital copy of the report for their records.

The emailed report will predominantly be used as a reflection piece and filed for future reference.

Remember, advisory meetings are a valuable asset

Clients appreciate having visibility over their financial data and being able to ask questions and discuss next steps. Most business owners and managers want to better understand their results and how to improve business performance.

When speaking with prospective clients, position your advisory meetings as the asset they are. Show them a sample report and walk through some of the tools you'll use during the advisory meeting.

You could ask current clients for testimonials about the benefits they have gained from your advisory services to use in your marketing materials.

Advisory meetings are a valuable service that provide significant value to your clients. With assistance from an experienced business advisor, the client should be better placed to steer a course towards better business results. For your firm, advisory services enable you to grow your business and also offer value to clients, that exceeds your competition.



9/10

customers believe Fathom's reports and insights help them make more informed business decisions.



Using the analysis tools in those business conversations has gotten more than one “Wow!” from clients when they see the information we’re able to present from within Fathom. This is a **critical piece of our software stack** and we are thrilled with the clarity it has provided between us and our clients.

Cory LaPlante, MBA, Gheen and Co., CPA, LLC

98%

of customers believe that Fathom gives them a better understanding of business performance.

9/10

customers believe Fathom improves communication between key decision makers.

Discover how you can use
Fathom to provide deeper
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