

# Life without Timesheets

*The freedom to charge  
what you are worth*

HUGH WILLIAMS FCA



St Edward's Press

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St Edward's Press Ltd

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## FOREWORD

Most of the readers of this book will not have heard of its author, Hugh Williams, before. This in itself shows the power of a good title and a good idea. This book, though, is more than just a good idea. It addresses a subject – replacing timesheets with fixed fees – about which I know Hugh feels passionately. Indeed he was lecturing about just this subject when I first met him through the auspices of the Institute of Chartered Accountants' Tax Faculty in 2001. I have since encouraged others to follow his lead; I have also quoted Hugh and his views when giving lectures around the country myself.

I well recall the genuine thrill I received when Hugh's firm won the Butterworth Tolley award for best tax team in a small to medium-sized practice; I was on the judging panel and had stressed to my fellow judges the importance of encouraging innovative practices like Hugh's. Hugh is living proof that you're never too old to learn or to change. Although he started his professional life in a conventional practice that worked with timesheets, he subsequently realised that this was not the best way to run a modern practice, and is now keen to help other firms to learn how and why they would benefit from adopting his 21st-century approach to billing.

Hugh's passion, pragmatism and commercial approach all come across loud and clear in his writing. If after reading this book you are not convinced of the logic of following Hugh's lead, it will not be because you couldn't follow his train of thought. Indeed you may want to take a good, long, hard look at whether you have merely rearranged your prejudices rather than considered his ideas with an open mind.

One final thought: I know through the research, mentoring and consulting work I do with professional firms that the ground is shifting. There has been a steady increase in the number of firms that offer fixed

fees and that promise their clients that there will be no surprise bills. I run an online blog through which I share accountants' secrets with business owners and the self-employed, and two of the most common complaints I hear in response are about advisers who will not quote a fee in advance, and those who bill more than the client was expecting. Some advisers take the attitude that it's inevitable some clients will complain, and so continue to do things 'the way they've always been done'. Hugh's contention – and mine – is that the world has changed and those advisers who change with it will get a bigger share of the work that's out there.

No longer is it true to say that 'Everyone uses timesheets – clients don't have a choice'. Clients *do* have a choice and increasing numbers are exercising their right to appoint advisers who deal with them using the far fairer and, ultimately, more profitable approach for which Hugh is such a great advertisement.

Mark Lee FCA CTA (Fellow)  
Chairman of the Tax Faculty of the Institute of Chartered Accountants  
in England & Wales 2003–2005

For more details on Mark's work, visit [www.BookMarkLee.co.uk](http://www.BookMarkLee.co.uk)

## INTRODUCTION

### *Time for a new approach*

Although I find it difficult to offer a convenient one-line explanation of what the 'New Approach' is that underpins the advice in this book, it is very easy to understand once you spot it – so let me begin by telling you about the first time I consciously recognised an example of it in action.

In 1994 my wife, Alice, and I celebrated 20 years of marriage. I decided that to mark the event I would take her to the Savoy Hotel in London. (Both Alice's and my parents had stayed there, and my in-laws were married in the chapel behind the hotel during World War II.) I made all the bookings and when the day for our trip finally came round, we headed off from Surrey with the aim of reaching 'one of the best hotels in the world' shortly after noon, in comfortable time for lunch.

But the best laid schemes of mice and men gang aft agley. The traffic in London was dreadful and held us up for an hour or more, so we were very late in arriving. Now this delay annoyed me greatly – our special time together was going wrong from the very beginning. I had planned it pretty well over the preceding months and here it was being derailed before it had even begun.

We eventually drove into the Savoy forecourt, very late and pretty upset. But, as I brought the car to a halt, three people came out to meet us: one to welcome us and escort us to the reception desk, another to collect our luggage from the boot and a third to drive the car away and park it for us. As we walked in through the hotel's revolving doors, a tide of care seemed to embrace and overwhelm us, to take away our upset, to cosset us as (in my view) only the Savoy can. We both relished the attention the hotel's staff lavished on us – and all my angst faded away.

When we left two days later, after 48 hours of supreme cossetting, I found myself saying that I wanted our accountancy practice to be to our profession what the Savoy is to the hotel industry. Yes, this was a most

ambitious thought but their example had been just exceptional. We had felt really cared for throughout our visit. Yes, we had paid handsomely for the care, but we still felt our stay had been good value for money. From that point on, I wanted to copy the Savoy's approach in the way we at HM Williams treated our clients.

But if we want to be the best, we have to make a plan to be the best. If we just express this wish but do nothing about it, then nothing will happen – we have to take action. My hope is that in this book you will find some ideas that you will be able to develop and run with, and which will help you achieve your ambitions for your practice.

If, as a result of our efforts, we can reach the heights that the Savoy has reached, the world will not just come to us in numbers, but everyone will look on us as being *the* place to do business with – the standard against which all others are judged. Now while we would never pretend that our small practice has achieved this level of success, within eight years of starting to act out this new philosophy of care, we were delighted to have won two national awards for the way we look after our clients: the first was a *Daily Telegraph* customer-care award (we were the first professional business of any kind to win it); the second was the Tolley Butterworth award for the best small to medium-sized tax practice, which we won on the strength of our customer-focused approach.

However, it was not until I went on an Accountants' Bootcamp in 1998, four years after my wife and I had stayed at the Savoy, that I began to understand what we had to do to make our ambition to emulate the hotel's customer-care credo a reality. The influence of the Bootcamp – an innovative training programme based in Australia that helps accountants build better practices – was remarkable. Without it we would never have dreamed of entering our practice for a national award based on customer care, let alone winning one.

\*

### The origin of this book

This book is based on the course notes that accompanied two lectures that I gave on the benefits of value pricing, fixed fees and upfront billing in 2001. The first was given at Oxford University's St Hugh's College at the annual conference of the Tax Faculty of the Institute of Chartered Accountants of England & Wales (ICAEW). While there I raised a salute to St Hugh of Lincoln, the saint to whom that splendid college is dedicated.

I did so for two reasons: firstly, St Hugh happens to be my patron saint and one I believe to have been a kind and wonderful man, and who offers a splendid example of how to live a happy and fulfilling life; secondly, I have a strong hunch that St Hugh would very much approve of the message contained in this volume. Again arranged by the Tax Faculty, the second talk was a lunchtime lecture given at the Chartered Accountants' Hall in Moorgate in London.

Both these lectures came out of an invitation by the then secretary to the Tax Faculty, Chris Peel, to take one of the vacant slots in the annual conference programme. As I explained to Chris when we first discussed the matter, while I am a very enthusiastic apostle of value pricing, I have to confess that I am not necessarily an expert. But as there seems to be nobody else who is prepared to shout about the enormous benefits of this important philosophy to the profession of accountancy, then I willingly step forward to do so.

This philosophy amounts to a wholly new approach to the way in which we serve our clients. While this new thinking applies to everything a professional accountant (or professional *anything*) does, this book focuses on one particular service that we accountants provide: the tax return service, and how we switched to charging a fixed fee for it, as well as billing upfront. However, don't worry if you are a professional who doesn't provide a tax return service because the thinking behind the changes we made in our firm can offer significant benefits if you apply it to your business.

Regardless of what area of practice it is applied to, the principle of upfront billing will

- substantially increase your fees
- allow you to collect the money more quickly
- enable you to build a better relationship with your clients
- cut out masses of time-wasting administrative guff
- help you give your employees more freedom, and more happiness

The last benefit is particularly significant: improving the bottom line is obviously extremely attractive, but the most rewarding aspect of the New Approach is that it allows you to put fulfilling people's needs at the heart of the way you run your business, and to make that focus productive for you, your employees *and* your clients.

At the start of my both of the lectures I have described I said that I felt sure that St Hugh of Lincoln would approve of my message. The reason I was confident of this is that this message (one given a lot of topspin by

the Accountants' Bootcamp) is nothing less than an embodiment of the second great commandment of 'Love thy neighbour as thyself'.

\*

**A note on the Help Sheets**

As you read this book I hope that you will begin to agree that we simply have to find a better way of billing than one based on timesheets. But, while you may agree with my suggestions, you may also wonder how you can apply this new approach – how the switch to value pricing will work in practical terms. The Help Sheets that form the second half of the book – predominantly verbatim copies of the letters we sent out to clients to first announce and then administrate the new billing system – will enable you to see exactly how we adopted fixed fees and upfront billing in our practice. Please feel free to crib from them as much as you want, but, equally, you must develop a system that you feel comfortable with.

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LIFE WITHOUT TIMESHEETS –  
THE FREEDOM TO CHARGE WHAT YOU ARE WORTH

Written by the head of an award-winning accountancy firm, this important new book offers you the opportunity to

- charge higher fees
- reduce time spent on administration
- enjoy better relationships with your clients
- improve office morale

Do you resent the fact that timesheets take up so much time, cause friction between you and your clients, and rarely enable you to charge for all the work you've done? Ten years ago, Hugh Williams FCA was fed up with the timesheets system – and decided to change the way he billed his clients.

In *Life without Timesheets* Hugh takes an entertaining and thought-provoking look at what's wrong with billing for hours worked, then makes the case for value pricing, an alternative billing system that makes it easier to charge – and justify – higher fees. As well as explaining the theory, the book offers document templates that demonstrate how in practical terms Hugh's firm announced and then administered this new billing system – a system that has enabled HM Williams Chartered Accountants to win two national awards.

**Accountants' responses to the ideas in the book**

'Marvellous. This is wonderful, wonderful stuff.'

'The reaction in our firm is very, very positive. The switch to the new system would appear to be a relatively small step.'

'The Help Sheets have enabled us to improve our profitability.'

*Foreword by Mark Lee, former Chairman  
of the Tax Faculty of the Institute of Chartered  
Accountants in England & Wales*

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