



The economics of cloud accounting

Bob Wang

A photograph of two young women with blonde hair, one in profile and one with her back to the camera, engaged in conversation outdoors at night. The background is dark with some blurred green foliage. The text 'Take a few moments to CONNECT with your neighbour' is overlaid in white on the right side of the image.

**Take a few moments
to CONNECT with
your neighbour**

CPD Process

In order to receive CPD credit

- Be sure to sign in or scan your badge for this session
- You must stay in the session for the duration of the training
- This session is eligible for **1 hours of CPD**
- CPD certificates are emailed directly to you within 4 weeks of the conference date to the same email address you used to register

Today's speaker



Bob Wang CPA, CA
CEO, Legacy Advantage
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Agenda


1. Pricing
2. Staff Compensation
3. KPI's

A close-up, slightly blurred photograph of a large pile of various colored ribbons and fabrics. The ribbons are in shades of brown, tan, orange, and blue. Many of the ribbons have small, white price tags attached to them. The tags display prices such as \$790, \$590, and \$690. The overall lighting is warm and the image has a textured, busy appearance.

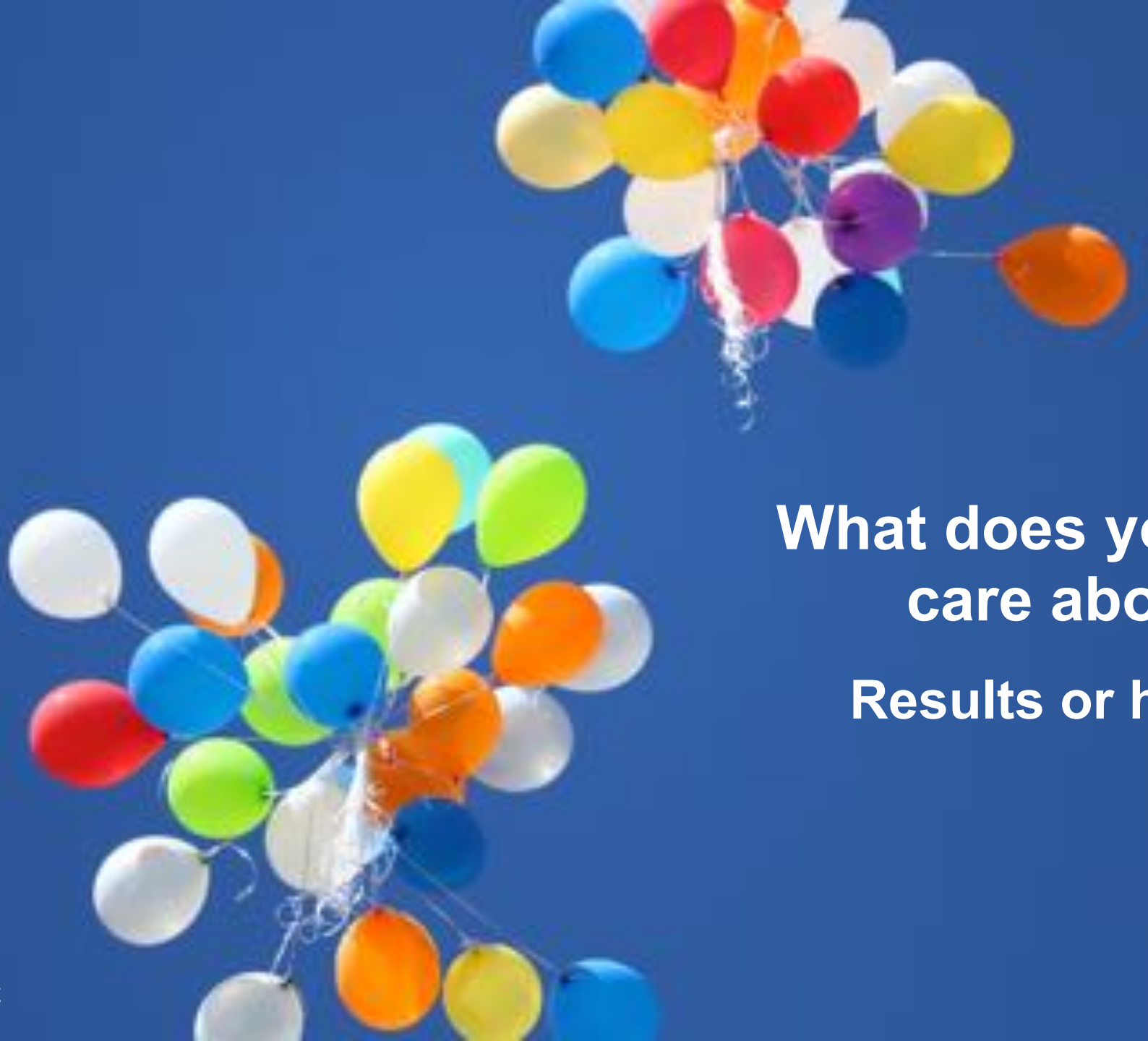
Pricing

Two bunches of colorful balloons are floating against a clear blue sky. The balloons are in various colors including red, yellow, white, blue, green, and orange. They are tied together in small groups, with some strings visible. The bunches are positioned in the upper left and lower left areas of the frame.


What do you care about?
Results or hours?

The image features two distinct bunches of balloons against a solid blue background. The upper bunch is located in the top right quadrant and includes balloons in shades of blue, yellow, red, white, and purple. The lower bunch is positioned in the bottom left quadrant and features balloons in white, yellow, green, blue, orange, and red. Both bunches are tied together with white string and have small white streamers hanging from them.

What do your clients about?
Results or hours?

The image features two clusters of balloons against a solid blue background. The top cluster is located in the upper right quadrant and includes balloons in shades of blue, yellow, red, white, and purple. The bottom cluster is in the lower left quadrant and features balloons in white, yellow, green, blue, orange, and red. Both clusters have white streamers trailing from their bases.

**What does your staff
care about?
Results or hours?**



**If everyone cares about
results, then why are
we transacting based
on hours?**

Pricing

Hourly pricing doesn't work in the era of cloud accounting



Why doesn't hourly work?

- No incentive to adopt technology
- No incentive to work smart and work with clients to accomplish this goal
- Adversarial relationship between
 - Company & clients
 - Company & staff



What is Value Pricing?



What is Fixed Pricing?



Pick one

Benefit Of Set Fee



- Align incentives of company and clients
- Predictability for clients
- Predictability for company & revenues

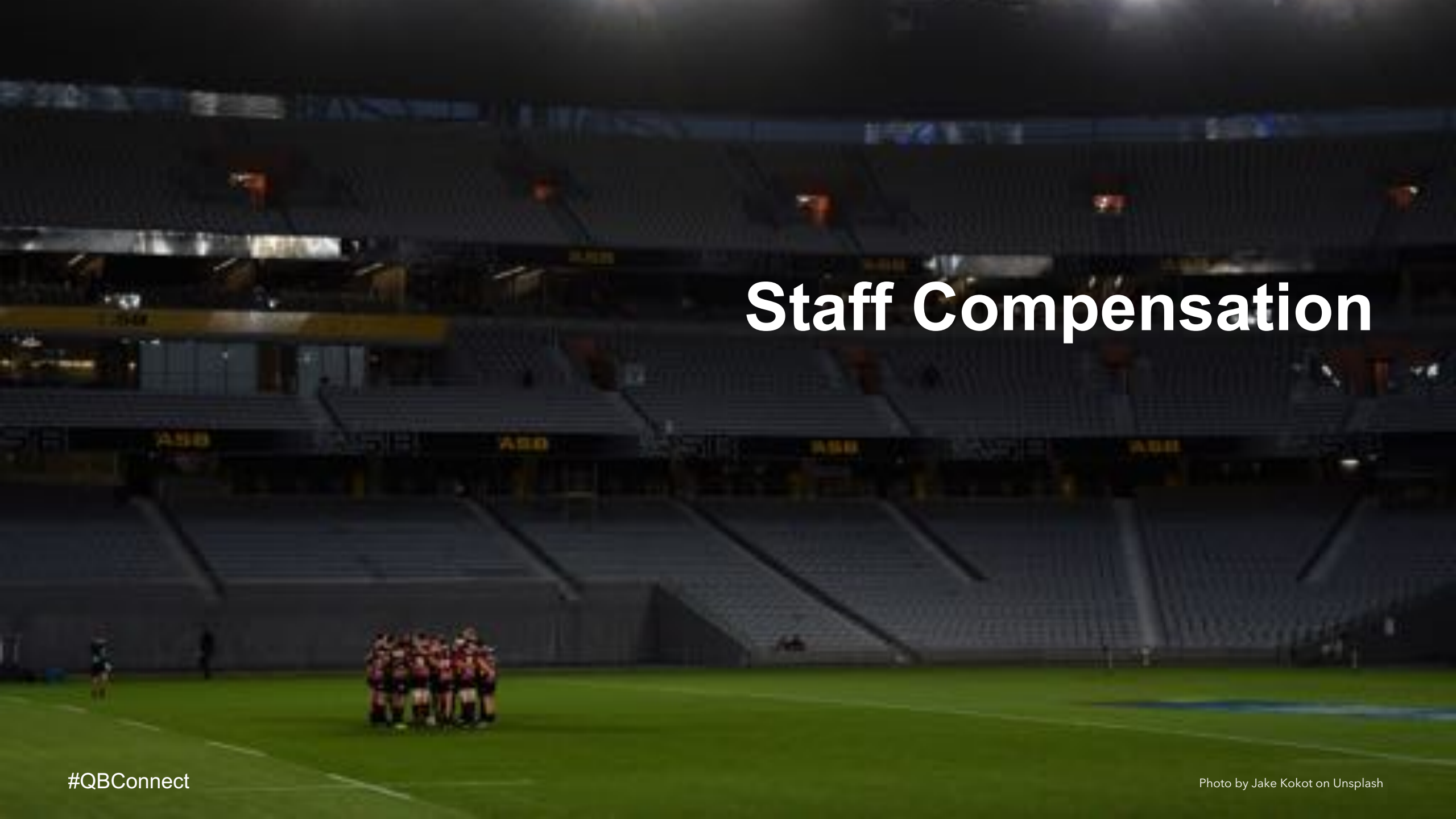
Legacy Advantage Pricing Model



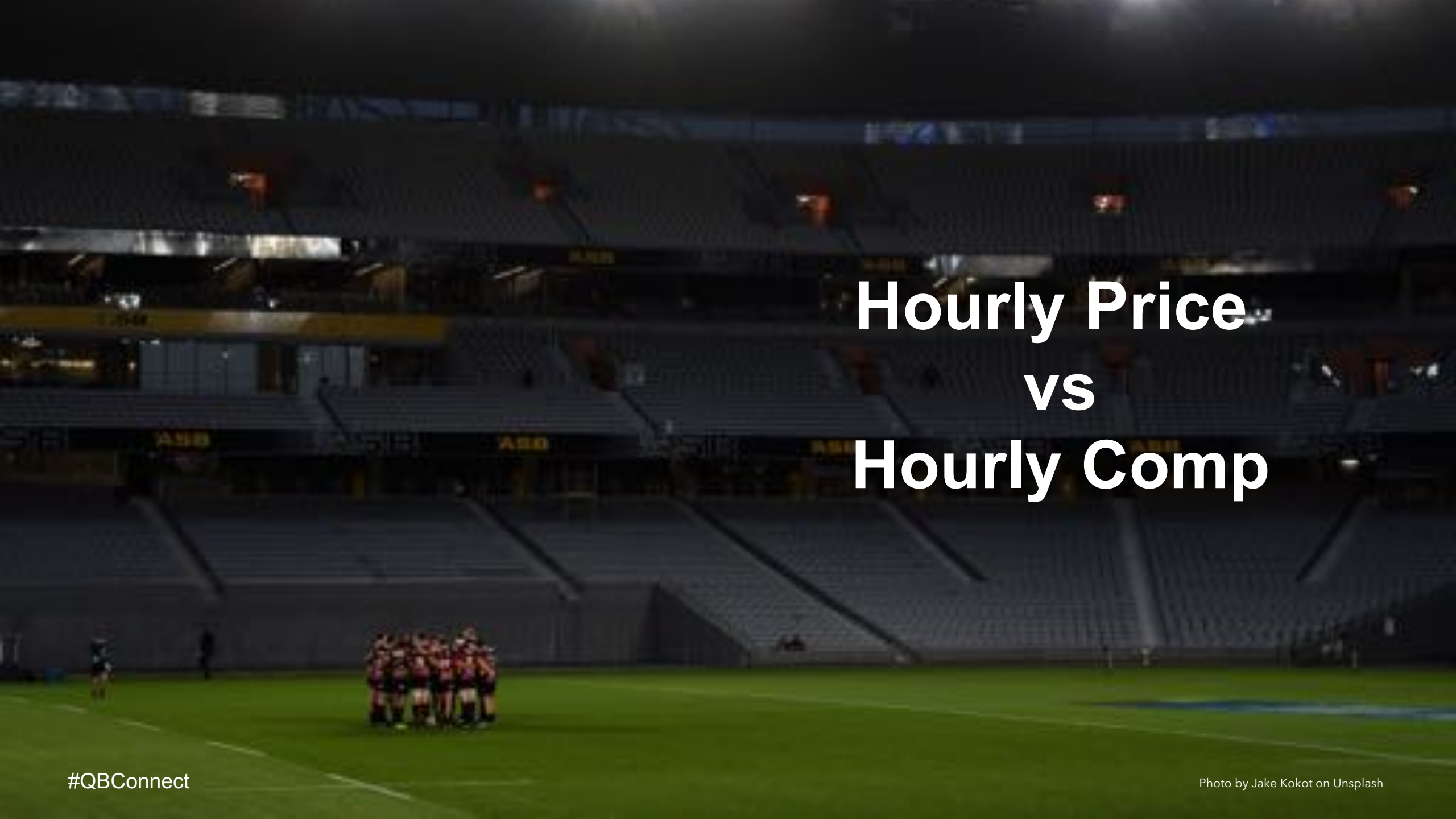
- Hourly for catch up & clean up
- Fixed for monthly
 - 1000:1 Ratio
 - Minimum Price
- Software is on top




Questions Re: Pricing?

A wide-angle photograph of a large, empty stadium at night. The stadium is filled with rows of grey seats, and the field is a vibrant green. In the center of the field, a group of football players in red and white uniforms are huddled together. The stadium lights are on, creating a bright glow against the dark sky. The text "Staff Compensation" is overlaid in white on the right side of the image.


Staff Compensation

A wide-angle photograph of a large, empty stadium at night. The stadium is filled with rows of grey seats, and the field is a vibrant green. In the lower center of the field, a group of football players in red and white uniforms are huddled together. The stadium lights are on, creating a bright glow against the dark sky. The text "Hourly Price vs Hourly Comp" is overlaid in white on the right side of the image.

Hourly Price vs Hourly Comp

A wide-angle photograph of a large, empty stadium at night. The stadium is filled with rows of grey seats, and the field is a vibrant green. In the center of the field, a group of football players in red and white uniforms are huddled together. The stadium lights are on, creating a bright glow against the dark sky. The text "Fixed Price vs Hourly Comp" is overlaid in white on the right side of the image.

Fixed Price vs Hourly Comp

A large, empty stadium at night, illuminated by bright lights. The stands are filled with rows of blue seats. In the foreground, a football team in red and white kits is huddled on the green field. The text "Fixed Price vs Variable Comp" is overlaid in white on the right side of the image.

Fixed Price vs Variable Comp

A wide-angle photograph of a large, empty stadium at night. The stadium is filled with rows of grey seats, and the field is illuminated by bright lights. In the center of the field, a group of football players in red and white uniforms are huddled together. The text "Quality Score" is overlaid in white on the right side of the image.

Quality Score

Legacy Advantage Compensation Model

Example



- Salary
- Variable
- Quality Score

A wide-angle photograph of a large, empty stadium at night. The stadium is filled with rows of grey seats, and the field is a vibrant green. In the center of the field, a group of football players in red and white uniforms are huddled together. The stadium lights are on, creating a bright glow against the dark sky. The text "Let's run through an Example w/ YOU!" is overlaid in white on the right side of the image.

**Let's run through an
Example w/ YOU!**

		Monthly Revenues	8,000.00	10,000.00	13,000.00
		Annual Revenues	96,000.00	120,000.00	156,000.00
		Commission	10%	15%	20%
	Scenario 1	Base	40,000.00	40,000.00	40,000.00
		Commission	9,600.00	18,000.00	31,200.00
		Total Comp	49,600.00	58,000.00	71,200.00
		GM%	48%	52%	54%
	Scenario 2	Base	30,000.00	30,000.00	30,000.00
		Commission	9,600.00	18,000.00	31,200.00
		Total Comp	39,600.00	48,000.00	61,200.00
		GM%	59%	60%	61%

A wide-angle photograph of a large, empty stadium at night. The stadium is filled with rows of grey seats, and the field is a vibrant green. In the lower center of the field, a group of football players in red and white uniforms are huddled together. The stadium lights are on, creating a bright glow against the dark sky. The text "Questions Re: Staff Comp?" is overlaid in white on the right side of the image.

Questions Re: Staff Comp?

Key Performance Indicators



What is KPI



How to pick a good KPI



What Matters to Legacy Advantage

Our KPI's



- Revenues / ee
- Quality Score
- # of Quotes sent & # of Leads
- MoM Growth in MRR
- GM%

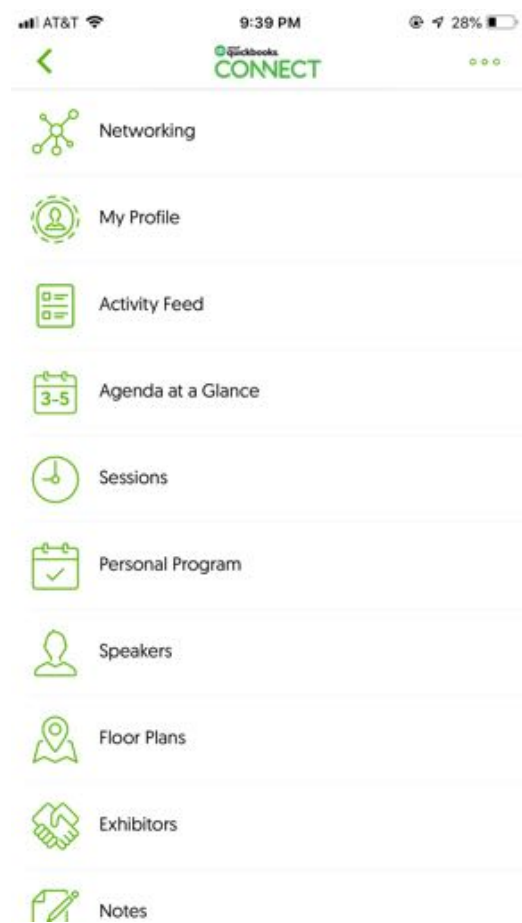
What KPI's do you track?



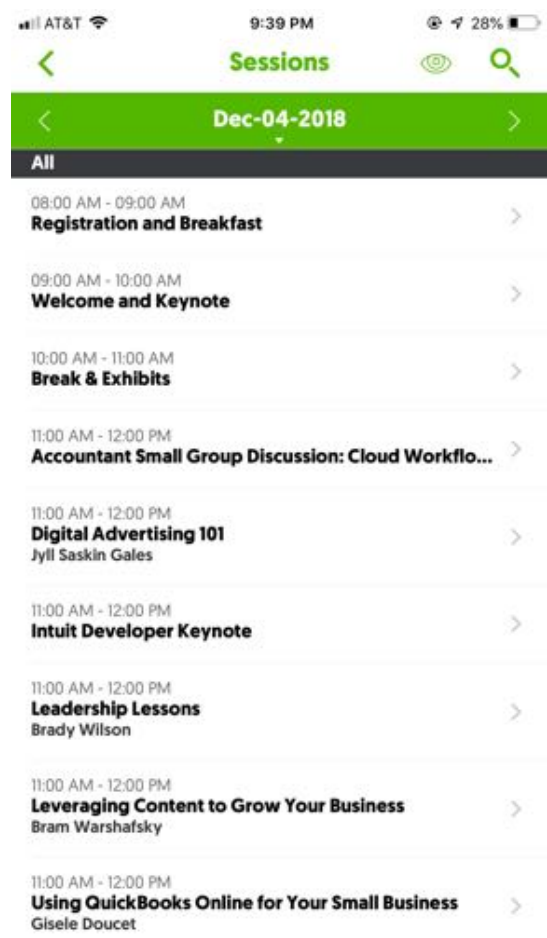
Questions?

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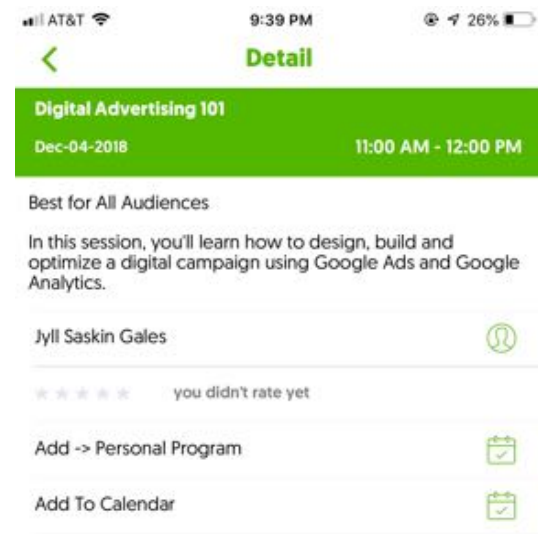
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	Accountant Small Group Discussion: Cloud Workflows	+
	Intuit Developer Keynote • session repeats	+

