

Bill Mavropoulos and Tom Palmieri founded VT Advisory on 1 July 2018. Well-meaning colleagues and friends tried to give them advice about acquiring large numbers of clients with simple needs and using technology and staff to create an accounting firm.

But the unapologetically outspoken pair wanted to do something different, something revolutionary. What gave them the confidence to do this? It was their unconventional background, experience and skills.

The difference

BY BILL MAVROPOULOS & TOM PALMIERI

Founders at VT Advisory

Before VT, Bill cut his teeth at a big four and a mid-tier accounting firm. He later moved into a tax technical advisory role at a tax association, where he continued to consult to lawyers and top-tier accounting firm partners, solving the most complex technical problems and publishing peer-reviewed journal articles on contemporary and difficult issues in practice.

In what would prove a fateful career move, Bill then took those skills back into practice with a small firm on the outskirts of the city.

Tom, meanwhile, had started his career at a unique boutique firm looking after clients in the property and construction space and had a significant consulting remit. After a stint at a larger firm with yet greater responsibility, he took a position with a bespoke firm on the outskirts of the city – a firm that just so happened to share office space with the one Bill was working for.

Bill and Tom met, fell, as they say, ‘a little in love’ and are now working together at VT Advisory in Melbourne’s CBD. Here they talk about their journey and what makes them so determined to be different.



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Our vision

On starting VT, we went back to first principles – how ‘Elon Musk’ of us – and thought about our vision and mission, what problem we wanted to solve, and what critical issues we needed to address. Our vision from our business plan was to collaborate in providing professional services that improve the businesses and lives of our clients.

We are young practitioners, but we have some old-fashioned values. Both of us refuse to accept commissions from banks or financial products, and we carefully consider who we refer our clients to in order to get them the best result. We disclose our discount from Xero and pass it on in full to our clients. We wanted to use our unique intellectual property to deliver outcomes for our clients.

The problem we wanted to solve

Our sense is that traditional practitioners don’t have the technology or adaptability to service the market as it is today. On the other hand, new firms haven’t fully considered what subscription-model billing and wholesale standardisation mean in terms of professionalism and integrity. We value trust and our relationship with clients above everything else. For significant engagements, we provide a formal tailored letter with a quote, and our invoices are never monthly recurring, they’re based on achieving an outcome. The time spent doing this is something we gladly wear as our service more than justifies a higher price point.

Clients are not cattle; they get the respect of personalised service and are billed when we provide value and outcomes for them. Digital doesn’t mean that the human element is removed entirely from the professional services that firms provide.

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Back yourself from the beginning

The biggest obstacle to starting a practice is backing yourself. Even though, as practitioners, we have approximately two decades of experience between us, there was still that initial fear that our services wouldn't have value in the marketplace.

Fortunately, we're both digital by default and understand the benefit of having client data in a single repository like Xero. Bill differentiates himself through technical tax and controversy skills, while Tom provides insight and value through business advisory and commercial services. The key to overcoming the obstacles was knowing there was synergy between the technology and our unique skills.

The most rewarding part for both of us is making a difference to our clients. To be professional advisors and have the trust of our clients means everything to us. We can only do this where we are smart about the tools and technology we use to eliminate or reduce dealing with client information inefficiently. This allows us to focus on our clients' strategy and on providing the services they need to grow.

Progress through change

We make decisions for our business in the same way as we advise our clients. It would be hypocritical if we asked them to change their systems to enhance performance if we didn't also look at what we're doing with a view to improvement.

We approached how we practice in a default manner. When examining the business and information workflows, as well as the interconnections and business intelligence between systems, our goal was integration. This was driven by a need to be able to use automation to enhance our productivity above the industry average. The reasons were to:

- compete with incumbents using fewer resources
- comply with regulations and have a fully auditable back end without allocating time to back-end activities
- report on and measure activity and performance

We continue to revise our performance KPI measures upwards. We've even had to revise our insurance cover because our projections proved too conservative.

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Talking tech wins

At #XeroUnder2018, we spoke about obtaining close to \$1 million in accelerated commercialisation funding for a client. We used Spotlight to generate projections and stress-test budgets. Our document signing was all through Adobe Sign.

The success in obtaining the \$1 million funding allowed us to structure the client's business and protect its valuable intellectual property from the risks of trading. When they first came to us, the company had monthly recurring revenue in the low five digits. The business is now conservatively valued at \$22 million.

Another success story was structuring a land sale to access a number of tax concessions. Our consulting role meant we needed to coordinate with a number of different stakeholders using the collaboration app, Slack. We saved the client \$2.6 million in GST and approximately \$6.5 million in income tax – that's \$9.1 million tax saved in one transaction.

We respect new and traditional providers of professional services. We welcome referrals from them to assist their clients in achieving these sorts of outcomes and growing into bigger clients that require even more complex professional services.

Three tips for embracing digital change

1. Get the fundamentals right first. If you are a CPA or CA with a bookkeeper's skill set, you need to skill up before everything you do becomes automated.
2. Make sure you have something unique you can offer your clients to differentiate yourself on something other than technology. Most people will soon learn to use it and erode your advantage.
3. Continually learn and improve out of hours – staying ahead of the curve means exactly that.