

The Institute of Certified Bookkeepers

**Institute of Certified
Bookkeepers
Software Review**

2021

FATHOM

Company Background

Who are Fathom?

Their Website at www.fathomhq.com explains:

‘One vibrant company with offices in Brisbane, Seattle and Cambridge.’

And:

‘One of the questions we get asked often is, “So...where did the name 'Fathom' come from?”

The word ‘Fathom’ (fa-[th]&m) means: “to gain a greater understanding, to comprehend, figure out, grasp, plumb, gauge, and "to get to the bottom of” ... We think this sums up well what Fathom is all about.’

Scope of Review

Fathom launched in 2010 from Australia. I found it last year (March 2020) and chose it to help me provide information for discussion with clients. By the end of 2020, Fathom had added considerable functionality which extended the range of the offering.

This review is based on 12 months experience of the product and the recent forecasting additions. I have recently become Accredited via their Fathom Advisor Accreditation. So, I have invested time and effort in the product but I am not blind to certain issues.

What is Fathom for?

It helps you have meaningful conversations with your clients. Because it provides a large amount of functionality, it allows you to choose the depth of analysis to suit the needs of the client.

Less sophisticated clients will benefit from a focused 'one screen' display of a few key facts which you provide because they are relevant to their business.

For more sophisticated clients, you can supply multiple reports and forecasts which explore different possible scenarios, monitor KPIs, perform benchmarks.. to name just a few of the possibilities.

Who would it suit?

Fathom is specifically designed for accountants and advisers who are seeking to deliver more frequent and more engaging advisory and management reporting services. When the ICB Level 4 'Business Insights' course is available, it will provide a suitable accompaniment to users of Fathom to help produce the required insights.

To be worth-while, your Bookkeeping Practice would need a mix of a few major clients who want detailed analysis together with a larger number of smaller clients who just want access to some regular simple results for a monthly review but who find the reports from their accounting system are limited. It is not relevant for a business owner who finds they just have to spend their entire life fire-fighting.

If you are working as a bookkeeper in the accounts department of a larger company, you should find the managers and/or directors are also interested in the extended results available from Fathom. If you are working with a group of companies or a collection of franchises, the consolidation and benchmarking functions will be of special interest.

Business insights, like never before

Metrics and insights for informed decision making.



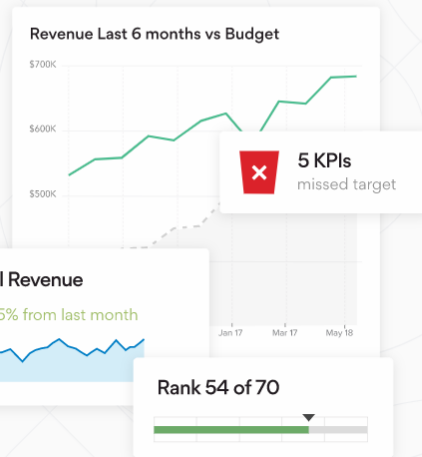
KPIs & Metrics

Measure and monitor the metrics which matter most to your business.



Divisional Analysis

Track and monitor the performance of each business unit.



Visualisations

Forget boring spreadsheets. Get insights at a glance.



Consolidations

Track and monitor the performance of a group of related companies.

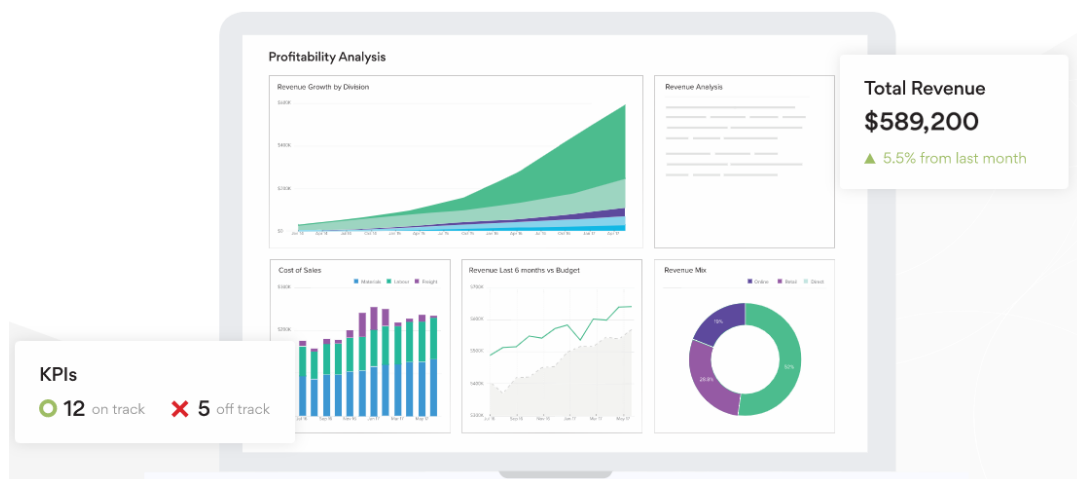
The Product

Fathom is an up to date Cloud based system with full security Including two-factor verification. It uses direct feeds from Xero or Quick Books or MYOB to collect immediate figures from your clients' accounts. If this is not available, you can extract the required data and import it from an Excel file.

Track business performance at a glance

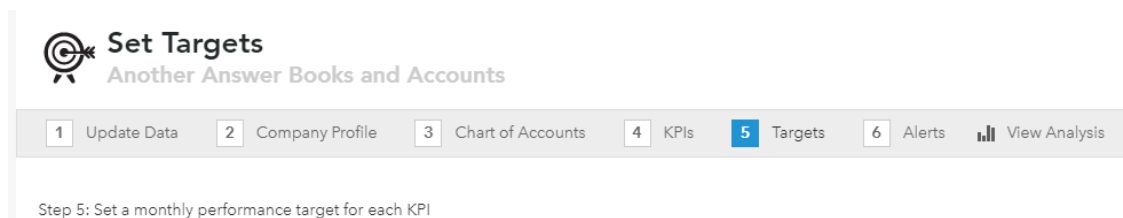
Comprehensive financial intelligence, performance reporting, dashboards and consolidations.

Try Fathom for free



You can use a free trial to evaluate Fathom for yourself (No credit card required). It includes:

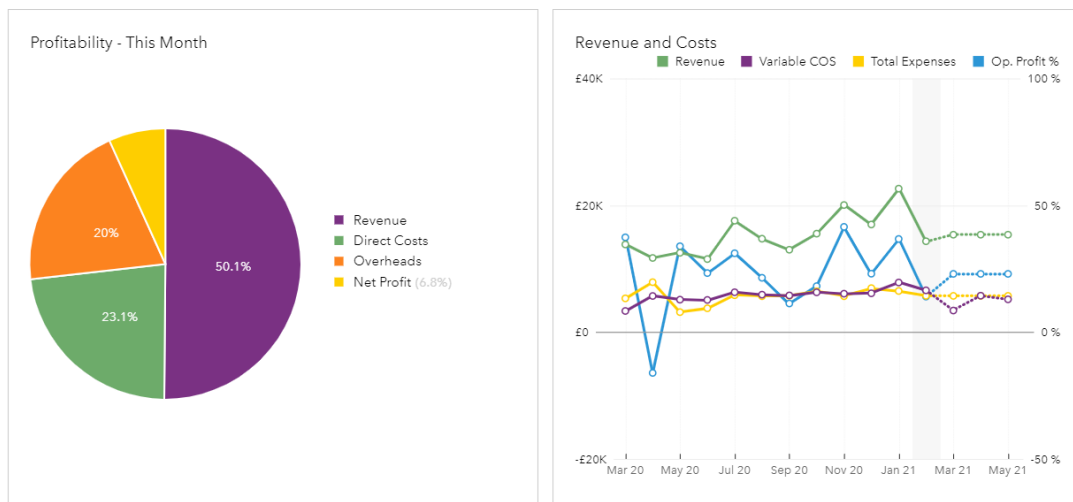
- Setup – choose how to classify the Chart of Accounts, set Targets and Alerts, include analysis by division, add Non-Financial KPIs etc.



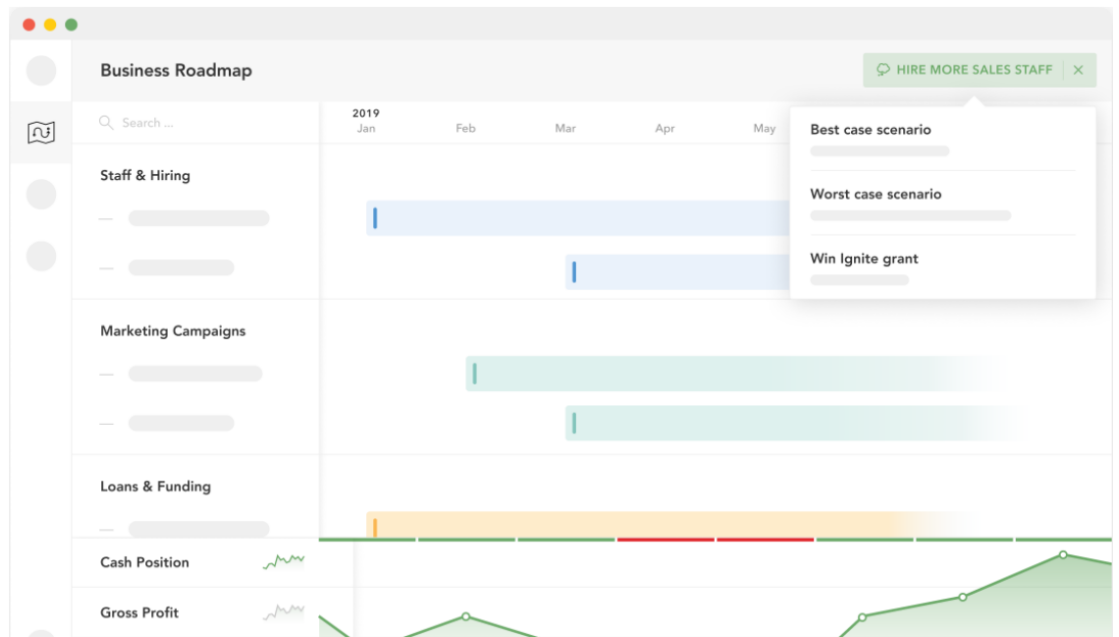
- Analysis – instant display showing your selection from a standard set of 15 KPIs with Alert settings where discussion or investigation is needed. You can also customise this with the addition of your own non-financial KPIs.

	RESULT	TARGET	TREND		IMPORTANCE
A PROFITABILITY	Q3 2020/2021		vs TARGET		
Total Revenue	£59,646	£60,000	✘	▼ -1%	Critical
Gross Profit Margin	66.45%	35%	✔	▲ 31.45%	Medium
Profitability Ratio	34.44%	15%	✔	▲ 19.44%	Critical
Net Profit After Tax Margin	34.29%	7%	✔	▲ 27.29%	Medium
B ACTIVITY					
Activity Ratio	8.15 times	2 times	✔	▲ 6.15 times	Critical
C EFFICIENCY					
Return on Equity	-	15%	-	-	Critical

- Reports – large choice of Charts and Tables to show your clients’ figures past, present and future.



- Forecasting – the latest tool which allows you to generate 3-way forecasts at speed. To build your forecast you can choose from Smart Prediction, Link to previous period, Constant value or Growth, Link to Accounting System Budget. You can also create “Microforecasts” for events such as opening a new Office, employing additional staff. These can be built and analysed separately and then combined with the main forecast.
 - Geoff from Fathom says:- *Knowing when or when not to do something is sometimes as crucial as knowing what to do in the first place, so for that, we built scenarios. These are small deltas on your main forecasts that let you model out different financial scenarios without disrupting your base forecast. “It’s very maintainable. What happens if my revenue is 10% lower? What happens if my costs are 10% higher? What are the implications of hiring that extra staff member?”*



We set out to make a forecasting tool, but along the way, we realised business planning is so integral to how the forecast turns out. We wanted to make this element of forecasting simple, flexible and dynamic. So while you're moving bars around and trying things out, under the hood there's some serious data processing happening as your numbers update in real-time. The result is a forecast you can action in your business or with your clients.`

Because the system operates in 'real time' to show the effect of choosing different combinations and timing of available decisions, it is not practicable to fully describe it here. Fathom's website provides further material for a few minutes of your time.

[Q&A with Fathom](#)

How can I contact support?

Whilst Fathom does provide a FREE certification course (which takes approximately 4-6 hours to complete and does qualify for CPD points), support is also available for those times when as a user you need a little more help. Support can be accessed directly within the application itself, provided by an intercom widget in the bottom right hand corner of your screen, or, you can email support@fathomhq.com; response times are very quick.

Can I add my own branding?

All of the reports and forecasts produced in Fathom can be customised with your own branding, for those wanting to add a little extra you can also for an additional fee have a custom web domain and email branding giving you a complete white-labeled solution.

How many log ins do I get?

The FREE 14-day trial is unlimited in terms of both users and clients to add, you only pay monthly for the clients that you subscribe for. Fathom is not priced per user, so not only can all of your staff members have access you can also invite your clients to access the software and set the access permissions accordingly.

How long does it take to set the system up, can I use it off the shelf?

It is possible to get up and running extremely quickly, depending upon how simple or complex you want your reports and forecasts to be. Typically you are up and running within an hour from scratch. Features such as the ability to save reports as templates, copy items such as chart of accounts, KPIs and more make it easy once you have your preferred 'template' configured.

What is the security like?

Fathom is hosted on Microsoft Azure, a highly scalable cloud computing platform with end-to-end security and privacy features built in. Our team takes additional measures to maintain a secure infrastructure and application environment. For more specific details regarding Azure security, please refer to <http://azure.microsoft.com/en-us/support/trust-center/>. Secure Sockets Layer (SSL) is an encryption technology used to protect data as it travels over the internet. All Fathom application communications are encrypted with 128-bit SSL, providing a level of encryption comparable to that used by banks and financial institutions. Fathom also encourage users to enable 2FA (Two-Factor Authentication or MFA (Multi-Factor authentication) on their user account.

Functionality

Fathom works by extracting General Ledger Transactions from the Client's Cloud Accounts. It takes account of the transaction date and any 'division' data. As it presents the data as summary in the required graph or table, there is no provision for 'drill-down' back to the original data. This means that results are relatively static and typically present data as at month end.

This does mean that the accounting system has to be fully up to date for the reporting period. Ideally you can close and reconcile the accounts within a few days of month end. The reports you produce can then be dispatched instantly by email ready for you to discuss with the client.

Key Benefits & Strengths

Fathom genuinely helps us to produce relevant insights for our clients. Because it has been created by people with knowledge of Accountancy and Bookkeeping Practices, it enables us to extract usable business intelligence to suit each client. It is specially suitable for a medium size practice with 5 plus clients where these clients have time to work on their business and listen and act on your advice.

The benefits that I would highlight are:

- Speed to produce forecasts and reports with your own or the client's logo;
- Flexibility to select from many template layouts of charts and tables to suit each circumstance;
- Opportunity to explore the implications of different potential business choices via the Business Roadmap;
- Access to guidance via blogs and a series of 20 minute webinars thoughtfully designed for lunch time consumption;
- The Accreditation system provides systematic training and a Certificate and a Logo to prove your prowess.

Weaknesses

No system is magic. Fathom provides great power for you to generate information. The danger is that you will swamp your client. It does require considerable understanding of what are the key factors which relate to your client's unique business.

There are some types of analysis which Fathom does not address. It will not access data from Invoices held in your accounting system. If you want to extract and process the Sales for Individual Products you will have to turn to Excel to report your tables or graphs.

We need to remember that Fathom is still evolving. Most months, each licensed user will receive a bulletin describing the latest updates. (Of course, because the application is 'in the Cloud', this means that improvements are automatically applied without our involvement).

The most recent update has addressed some complexities of forecasting taxes payable. No doubt there is more to come - I am looking forward to an update to help with 5-year plans. (At the time of writing, we can only forecast 3 years ahead in Fathom. This was reasonable given that the future is uncertain at the best of times. However, some lenders demand 5-year plans. A proposed updated is under review).

Assessment

The ICB list a number of evaluation criteria which I have used to assess Fathom:-

Appearance and Ease of Use

Fathom is similar to most Cloud base systems. They have a topline menu with the main options, thereafter it is a free-for-all. Some readers will recall when Microsoft imposed a standard Menu which gave us all a head start on a new package. With Cloud systems, we just have to adapt to the Menu provided. Fathom like most suppliers provides ample on-line resources for self-training. A

reasonable amount of effort allows you to easily access all the benefits of the system.

Fathom is almost a development environment, it is designed to help you produce the right report to assist you and the client to move their business forward. You choose the building blocks from a selection of charts or reports to assemble Templates or Reports, These are then used to build a full picture for the specific client's enterprise.

A library of predefined Templates is also provided and it illustrates the possibilities to your client. Once you have agreed a specific set graphs or tables, you can build these into a customised report. These can be built at speed. The only issue is identifying the right building block to suit a particular need. This is readily resolved by the rapid response from the knowledgeable and helpful support team.

Value for Money

The current Pricing is shown below. You will typically have to spend £175 per month. However, Fathom will allow you supply extra services to your clients. Assuming you are adding £100 or £200 per month per client, then the system easily pays for itself. You can see that as you buy extra licenses, the cost falls. Of course, this does not include any costing for the time and effort required to learn how to use the system in order to generate good advice.

STARTER 1 COMPANY INCLUDED	SILVER 10 COMPANIES INCLUDED	GOLD 25 COMPANIES INCLUDED	PLATINUM 50 COMPANIES INCLUDED
£33 monthly	£175 monthly	£250 monthly	£400 monthly
extra companies £33 each	extra companies £20 each	extra companies £8 each	extra companies £7 each

Testimonial

A typical reaction from a Client..

“Neil has been supplying vital information for our monthly review for over a year. It is very helpful to see how the figures change from one month to the next. I am not aware of how the results are generated – just that they are clear and relevant.”

Fathom’s website at <https://blog.fathomhq.com/> also provides a range of articles which includes endorsements from other Accountants and Bookkeepers.

Summary of Review

It seems clear to me that Fathom provides a great opportunity to assist you in delivering good advice to your clients. It extracts live data from the client’s cloud based accounts and enables you to rapidly deliver relevant reports. It also allows you to readily generate forecasts which extrapolate from client data and which will allow you to jointly explore the impact of different business options via “Microforecasts” built into scenarios and manipulated via the Business Roadmap.

Alternatively, you could provide some of these services from the reports from the Accounts system. You can also export data to Excel and create further analysis and forecasts and projections. However, the value of your time spent on such alternatives will very rapidly exceed the cost of using Fathom and is also likely to lead to errors.

If you do choose Fathom, you will have the opportunity to benefit from a mature but state of the art support tool which offers both great software and a friendly support team and resources.

Disclaimer

The Institute of Certified Bookkeepers having reviewed the Fathom software package version as at March 2021 cannot be held responsible in anyway for the actions of the company or their software. This review is merely an unbiased overview of the software package. Any enquiries should be directed to the suppliers.