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technology platform driving this movement, rather firms' desire to transition from a trusted technical advisor to a trusted business advisor. Before you even get into the discussion about which cloud accounting platform is right for your firm and clients, you must first ask if your firm is prepared to play above the line.

Jim Boomer • Jun. 06, 2014



There is a lot of interest, discussion and action taking place around client accounting and advisory services these days. Firms are recognizing the opportunities offered by advances in technology and cloud accounting systems. However, it's not the technology platform driving this movement, rather firms' desire to transition from a trusted technical advisor to a trusted business advisor. Before you even get into the

discussion about which cloud accounting platform is right for your firm and clients,

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client's business and offer services that focus on business performance and strategy.”

Below the Line Services

The core services I referred to previously are what we call Level 1 services – Tax, Assurance and Accounting Services. These services are compliance focused and have firms operating “below the line.” They have historically been the meal ticket for most firms. Most of these offerings are based on hindsight and require perfection. These are also the services that are threatened to become commoditized as advances in technology and the cloud continue to automate the data exchange between systems.

Above the Line Services

In order for our profession to avoid commoditization and obsolescence, firms will have to change their services, packaging, pricing, processes and systems and start operating “above the line.” By this I mean they will have to transform their offerings to include Level 2 and Level 3 services. I'll briefly outline what I mean by these two categories.

- **Level 2 Services** are advisory services focused on business performance. They are based on insight and require progress rather than perfection. Examples include:
 - Business Advisory
 - Wealth Advisory
 - Family Office
- **Level 3 Services** are advisory services focused on strategic performance. They also require progress rather than perfection but are based on foresight. Examples include:
 - Strategic Planning
 - Succession Planning

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- CPA Firms
- Financial Advisors
- Legal Firms
- Wealth Advisors

Each wants to be the go-to advisor for their clients and most businesses want a single person from which to seek advice. CPA firms are positioned perfectly to take on this role and act as the quarterback in the relationship.

Primary Obstacles

Most firms have an interest in higher valued advisory services, yet few are taking action and recognizing success with building the business model and a successful group of advisors. There are a number of challenges at play and here are the top five we see.

- Leadership Buy-in and Political turf wars
- Shifting to an entrepreneurial mindset and focus on the future
- Building the team with dedicated resources that have the right skills
- Building the economic or pricing model
- Effective change management from both an internal and client-facing perspective

Pieces of the Puzzle

Moving your current client accounting services to the cloud in and of itself is not the solution. Firms must focus on several key components to successfully elevate themselves “above the line” and truly become the most trusted business advisor. Some of most important pieces of the puzzle include:

- A Strategic Plan

- Unique Processes

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core services within the next 5 to 7 years and they aren't resisting. If you're serious about building a successful, sustainable firm you need to start building out your strategic plan and business model for client advisory services. I believe it is not only an opportunity for tremendous growth but also the vehicle for CPAs to maintain relevance into the future and live up to the billing of Most Trusted Business Advisor.

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