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(CAS)

This trend toward offering a broader set of services looks to be a win for both accountants and their clients, but it also poses a big challenge for firms offering services that may be outside their comfort zone — both from a knowledge standpoint and ...

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By the end of 2019, a majority of accounting firms will be offering client accounting services (CAS), according to Accounting Today's [annual look-ahead survey](#). This trend toward offering a broader set of services looks to be a win for both accountants and their clients, but it also poses a big challenge for firms offering services that may be outside their comfort zone — both from a knowledge standpoint and operationally.

To help guide the way, we talked to more than 1,000 small business owners to get a

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Michael Ceramir of CPA.com probably summed it up best. *“Mass adoption of cloud services and the digitization of data have really... changed the dynamic between CPA firms and their clients, allowing a much deeper, more collaborative relationship. CPAs can provide more insight – in a faster, more easily graspable way – that offers real value for business owners when they make critical decisions.”*

Getting a little more specific, we like to define CAS as assisting clients by either facilitating the transactions that trigger an accounting action or by helping them anticipate the consequences of those transactions. That means it could involve anything from administrative functions like payroll and bookkeeping to more consultative services like tax planning, projecting cash flow, or an outsourced CFO practice.

As you think about CAS for your firm, there's no specific checklist to move down, but it does make sense to think about it in terms of synergies: What do your clients expect your help with, and what can your firm realistically collaborate on effectively and efficiently?

What your clients expect from you

In our [survey of small business owners](#), we found that accountants are the most trusted business advisor, period. Clients trust your advice more than friends and family, more than lawyers — even more than bankers or other financial professionals.

However, that trust also means they expect a lot from you. They came up with a lot of suggestions when asked about a range of potential services they wish accounting firms would offer:

Interestingly, business owners who had never worked with an accountant expected

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While we see a number of firms taking on all those duties (and more), a firm that's looking to expand its practice doesn't need to become a consultant overnight. If you're considering an expansion into CAS, it's more realistic to think about the following questions:

1. That would add the most value for our clients (and be easy to sell to them)?
2. What kinds of services would make our firm more efficient?
3. What services can we add without making significant staffing changes or acquiring new expertise? What will scale?
4. What can we monetize effectively?

If you identify services that satisfy all these criteria, you'll be in good shape to make life easier for both your firm and your clients.

Where to look first

For many firms, the easiest way to step into CAS is to identify cloud-based technology solutions that automate most or all of the new services they intend to provide. Adding largely automatable solutions like AP/AR, cash flow management or payroll lets your firm do more, keep cleaner books, get more insight into your clients' business, and add a revenue source.

In short, some cloud-based solutions can check all the boxes above when done right.

Your firm should start its path down the CAS road wherever it feels most comfortable, but payroll is something my company OnPay knows well — and it's something every business with employees needs to figure out — so I can give a little more insight about how it might fit into your practice.

Payroll as a first step

Sixty percent of small business owners outsource payroll, and between payroll and

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The right payroll service will also handle the payroll tax filings and deal with any IRS and state tax notices, so it should make your life easier, too. They can also quickly handle any issues that pop up before they wind up on your desk. And the accounting software integrations that many payroll providers offer also make bookkeeping a snap — while giving you a nice view of the big picture if you want to take on a more consultative role with clients.

Payroll isn't the only place to start, but it's a great example of how you can add a new service offering that's a win-win for your firm and your clients.

Growing comfortably

Ultimately, the goal with CAS is to provide as much value as you can to your clients. Whether it's through payroll or another service that feels like a better fit for your growth plans, taking this step is something that's going to make your firm better.

And the best part is selling your clients on these new services probably won't take much more than simply letting them know you're willing to help out. Most clients will be glad to let you take more to-dos off their list and simplify things for tax season. And as our survey showed, it's quite likely they expect CAS-level services from you in the first place and now is definitely a good time to figure out that first step.

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Mark McKee is the president and COO of [OnPay, the top-rated payroll software company](#). His 15 years of experience in institutional investing, equity research, private equity, and investment banking give him deep insights into what growing businesses and their accountants need to build easy, error-free financial practices.

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