

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

providing client accounting services, firms can not only improve their bottom line, but ...

**Vishal Thakkar** • Nov. 15, 2019



In his article in the November issue of *CPA Practice Advisor* magazine, Pete Potsos, CPA, provides valuable tips on how to get started with Client Accounting Services. Specifically, the article explains what's involved in turning interest in CAS into action and incorporating automation for a successful CAS practice. In this article, I discuss strategic CAS, its benefits, and how to position your firm to offer higher-value services.

Accounting firms are increasingly looking to expand beyond traditional,

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

two – strategic CAS – happens when you recognize you're ready to increase the value you offer clients, and intentionally create a plan and commit dedicated resources towards building a robust CAS practice. Strategically developing your practice will better position your firm to align with “over 50% of firms in virtually all size categories” who are adopting CAS as “a core service area,” according to the [2018 AICPA PCPS & CPA.com National MAP Survey](#). To be truly strategic, internally, the CAS practice area needs to be set up as a strategic revenue unit with not just a growth plan but dedicated staff and internal KPIs — aligned to the firm's larger strategy, but unique in this specific practice area. As noted in [Setting the Stage for CAS Success](#), “Just as with any other part of your business, your business plan should drive CAS decisions. In fact, you should account for two layers of business planning: your top-level business strategy, along with your CAS-specific plan.”

At this stage, you are taking active steps towards becoming an integral part of your clients' businesses. You should begin to apply learning from one client to another and invite questions about the direction of clients' businesses. Actions like this position you to re-evaluate your pricing structure to align with your increased value offer. As you seek to enhance your offerings, keep in mind that the transition to higher-value services such as advisory happen when your team is more involved with what *can* happen for your clients as opposed to what *has* already happened to them.

## The Benefits of Strategic CAS

Strategic CAS enhances your practice and profitability in a number of ways. First and foremost, by offering strategic guidance, you are able to build deeper relationships with your clients. The stronger the relationship, the less likely a client is to take business elsewhere or consider other accountants.

Strategic CAS also positions you to offer your clients more value by filling the role of a

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

understand what your advice is worth.

Strategic CAS also enables you to create a longer-lasting business model for your firm going forward. The outsourcing of accounting functions continues to grow in popularity, and sooner rather than later it will be a norm, not just a luxury. Firms that are already offering strategic CAS – and doing it well – will be in a better position when it comes to long-term sustainability and will have an upper hand on competition that has yet to start offering CAS.

CAS also has the potential to transform your bottom line by introducing a reliable, recurring revenue. Once you've cemented your position as a trusted advisor for your clients, it's easier to transition your rate structure to value-based pricing or a fixed monthly fee arrangement (shown to be an effective billing method by 70% of the top performers in the 2018 CAS Benchmark Survey). These types of rate structures translate to recurring revenue, which is the best possible cash flow model for your firm.

Also, you will be giving yourself the ability to bring in the same amount of profits with fewer clients, less staff, and less entry-level work.

## **Evolving to Strategic CAS**

Once you've identified the potential benefits of strategic CAS and evaluated where you stand in relation to what your goals are for this practice, what is the next step in advancing it? The answer lies in improving your processes and establishing standards for both internal and external stakeholders.

If you're at the second stage in the CAS process, you've already incorporated automation into your practice. You should continue to standardize all your processes, not just your accounting functions. This includes your employee guides, training resources, templates, technology, and more. It also includes standardizing

your processes much like an assembly line. Firms should break down everything

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

practice, the ones you should be insisting your clients use.

While the individual components of your tech stack certainly matter, it's also crucial that they integrate. Integration is the only way to truly get a comprehensive view of your firm's performance and the full scope of your clients' business. You might also want to consider building your tech stack for a focused niche, though this might require specialized solutions for types of businesses.

Simply automating isn't enough. You need to be using your technology to look forward, not just backward. Offering strategic CAS means that you are embedded in your clients' businesses, communicating and collaborating frequently, and, most importantly, that you have a solid strategy in place from the beginning – one that gives your firm the flexibility it needs to evolve to meet future needs, as outlined in *Setting the Stage for CAS Success*.

Once you've positioned yourself for strategic CAS, the final step is scaling. The next article in this series, authored by [Adam Hale, CPA, of Summit CPA Group](#), will explore the best ways to scale your CAS offerings.

To learn more about CAS, [download the Client Accounting Advisory Services eBook from CPA.com](#) – “Accelerate into Advisory.”

- This is part 2 in a 3 part series on CAS.
- Read Part One: [How to Get Started with Client Accounting Services](#)
- Read Part Three: [How to Maximize Profits and Revenue for Your Firm by Scaling CAS](#)

=====

*Vishal Thakkar is Director of Marketing at [CPA.com](#).*

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us