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business advisor role during the onset of the pandemic, as clients sought advice about everything from applying for Paycheck Protection Program loans to how to manage their ...

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95% of tax professionals believe their clients want business advisory services, underscoring the staying power of a trend accelerated by the COVID-19 pandemic, according to *Insights for Tax Professionals 2021*, a new study from the [Thomson Reuters Institute](#). The findings, gathered from a survey of hundreds of tax professionals conducted in October 2020, provide a clearer picture of the outsized

impact the pandemic had on the profession and what professionals are expecting

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large firms, and 59% feel highly confident stepping into this role for their clients.

However, 41% of tax professionals do not feel comfortable taking on this role, with the lack of confidence being especially pronounced among female and junior professionals. Of those who feel less confident, a third would turn to training and education to improve their confidence. Many respondents also talked about gaining more experience, particularly with clients and building industry knowledge. Mentoring was also cited as helpful, demonstrating there is great opportunity to help these professionals build their confidence and step into the role of an advisor.

“The study’s findings underscore that taking on more of an advisory role is the future of the profession, with 68% of respondents strongly believing this is something their clients want” said Charlotte Rushton, president of the Tax & Accounting Professionals segment of Thomson Reuters. “We saw this trend explode onto the scene last year for many of our tax and accounting clients as the pandemic wore on, and we strongly believe this will continue to be a demand from their clients this year and in the future.”

“This relationship is mutually beneficial, as it enables the customer to obtain much needed financial advice, and for the tax professional, they can obtain a recurring revenue stream outside of tax preparation. Investing in the right technology and guidance so that tax professionals can become a trusted business advisor is something firms should do to meet the demand,” Rushton continued.

Increasing Need for Technology

Heading into 2020 and before the pandemic hit, most firms were looking to increase revenue and drive efficiencies through streamlining and automating processes by better leveraging technology. The pandemic upended these goals, forcing most firms into survival mode. As firms begin to emerge from the pandemic and cautiously look

ahead, 89% of professionals could identify lasting positive impacts of the changes

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including advisory work. Along with taking on more talent, developing talent was listed as a top ten strategic priority for both 2020 and 2021. The survey respondents not surprisingly listed tax expertise as the most important skill for tax professionals to possess, but the next two most important skills were strong communication and social skills. This underscores the demand from clients that their tax advisors do more than just preparing their returns once a year – a closer relationship driven by year-round business advising will be key in setting firms apart as the profession continues to evolve.

The *Insights for Tax Professionals 2021* report can be downloaded [here](#).

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