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**ADVISORY**

# 5 Ways for CPAs to Become Trusted Financial Advisors

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**Justin Hatch** • Jul. 08, 2021



The accounting landscape is changing rapidly as more CPA firms begin adding advisory services to their offerings. In one recent survey, **60 percent** of firms reported offering strategic advisory services for clients. While the industry has known for some time that clients want more of these services, the transition is not one that is easily made overnight.

While advisory services are a valuable addition to CPA firms, it will take time for clients to see their CPAs in a new light. Firms will need to put in the work to show they are not just CPAs who provide financial advice but trusted financial advisors. These tips can help firms become trusted financial advisors for their clients.

### **1. Show Clients You Know Them**

There is a reason businesses are interested in more advisory services. They need someone to give them a deeper look at their finances than just profits and losses and develop a roadmap to help the business advance.

Show clients you have deep knowledge of their business that will enable you to give them meaningful advice. Give them personalized **financial reports** to highlight trends, hiccups, and successes you have found, and collaborate on objectives and ideas for improvement. Giving a more personal look at the data distinguishes you as more than just the numbers person: it establishes you as a member of the team.

### **2. Improve Your Communication**

When you **communicate well**, your clients understand that you are putting their needs first, and you know what their business needs to thrive. With your knowledge of their financial data, you likely have great insights into what their company should be doing.

If you communicate those insights well, it shows clients you have done the legwork and can back up your advice. They will see that your goals are aligned and that they can trust that the steps you are taking are the best path. In good financial times and during crises, good communication lets clients know they have your support.

### **3. Show Clients You Are Available**

It's easy to think of a CPA as someone you go to when you need a financial report or have tax questions. It is important for CPAs to build a year-round **relationship** with clients so they understand their CPA is always available to help. Take advantage of cloud technology to give your clients **real-time** updates on their financial situation.

As you transition to using the Cloud, businesses will come to rely on you consistently for financial advice, rather than the quarterly or yearly check-ins they might be used to. Communicate with them regularly to solidify their financial plan and determine whether there need to be any tweaks to keep them going in the right direction. Clients appreciate knowing you're always at their side to guide them.

#### **4. Make the Switch to Value Pricing**

Firms of all sizes are seeing the benefits of using a value pricing model for clients. A 2018 report found firms used this billing practice for anywhere from **15 percent to 50 percent** of their services. **Value pricing** allows your clients to pay you what you're really worth while seeing the bang they are getting for their buck. Rather than trying to keep the hours to a price they can afford, they know up front what they will be getting for their money, and they appreciate the value of what they are getting in return. Moving to this pricing model builds your clients' trust in you and your work as they feel they have more control over the finished product.

#### **5. Protect Client Data**

All of your expertise means nothing if your clients' data isn't safe with your firm. Don't forget about the most basic trust your clients put in you: to **guard their data** as though it were your own. Data security breaches frequently make headlines as major companies are targeted, and cpa firms aren't immune. An analysis of cyber attacks against accounting firms in Maryland found 132 breaches over a four-year period, with **90 percent** affecting small businesses.

Highlight the steps you're taking to protect vital information so businesses know it is a priority and they can put their trust in you. Investing in more technology will enable your firm to offer the best financial services to your clients. As you upgrade your offerings, be sure to also invest in security measures to ensure your firm is not caught off guard by threats.

There are few people better suited to provide sound financial advice to clients than their CPA. If you do the work to establish trust with the businesses you serve, they will turn to you for advisory services. Let them know they can always lean on you to support them through struggles and lift them up to help them succeed.

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Justin Hatch is co-founder and CEO of [Reach Reporting](#).

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