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ADVISORY

How I Grew My Firm's Revenue by 125% by Embracing an Advisory Role

By incorporating proactive, strategic guidance into my own client services, I've been able to grow my firm's total revenue by 125% year-to-date.

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By Wyatt Kneaper, E.A.

The last two years brought about massive changes for accountants and the businesses they serve. The pandemic, the rise of remote and hybrid work, the labor shortage and economic uncertainty have all increased the complexity of running a business. Small- and medium-sized businesses aren't prepared for these post-pandemic challenges, which presents accountants with a unique opportunity to grow their firms and better serve their clients by acting as strategic advisors.

Many accounting firms are most comfortable with traditional payroll and tax client services. But in order to grow the business and keep up with changing client needs, accountants must expand into a strategic advisory role. By incorporating proactive, strategic guidance into my own client services, I've been able to grow my firm's total revenue by 125% year-to-date. Here's why accounting firms need to start providing this kind of strategic advice to add more value for their clients, as well as key lessons I've learned along my own journey.

1. Clients will pay more for proactive, strategic guidance

Clients need support on more than just taxes and payroll, and it's a missed opportunity for accountants to simply focus on accounting-related tasks. Firms must expand to meet the new post-pandemic needs of their clients. [Research](#) from HR and payroll platform Gusto found that 52% of business owners need help developing an affordable benefits package, while 69% have made changes to pay or benefits in the last year to retain or attract staff.

In fact, many are looking to accountants for trusted guidance in these areas because of their unique expertise and access to financial data. Approximately 44% of business owners say they would pay accountants more for advice in areas like hiring, people management and benefits, and nearly half would consider switching to an accountant who offers strategic advice on talent and people operations.

2. Use data and metrics to unlock insights for clients

There's a big opportunity to take the data and insights many accountants already access for payroll and tax services and use them to provide more strategic, proactive business advice to clients. Metrics like headcount changes, cost of labor, and revenue per employee can yield major strategic insights.

Accountants should surface monthly and quarterly financial data to help business owners understand their operations from a high level and achieve their financial goals. This can also help find data-driven solutions to specific problems around

benefits, hiring and staffing. For example, accountants can look at the numbers and say “Hey, this one person went on vacation and the whole department suffered. Let’s talk about your employee structure.”

Accountants should also benchmark data across industries to provide strategic insights. For example, as more small and medium-sized businesses begin to hire across state lines, accountants can advise on compensation packages based on data across specific industries, geographies and experience levels. This allows accountants to advise on the types of benefits other companies are offering and how clients can remain competitive in the labor market.

3. Restructure pricing to build in these services

My firm’s revenue gains came from a combination of increasing our prices to reflect increased business advisory capabilities, as well as winning and retaining clients based on these services. This has helped us differentiate our offerings from other firms while saving clients money. Accountants should rethink their pricing and service offerings to incorporate strategic advisory services, giving clients more options that will meet their needs.

For some clients, payroll and tax services may be enough – but for others, getting strategic people and financial advice can differentiate your firm from the competition. Working with existing clients to grow revenue is almost always simpler than trying to attract net new clients.

At our firm, we structure our services into three different tiers that clients can choose from. One tier offers tax services, the next offers payroll and tax services, while the third offers taxes, payroll and what we call an outsourced chief financial officer. This third tier is where we can really dive into the data and offer strategic guidance. Many of our clients want that additional level of service.

One such client is a nonprofit rehabilitation facility that first came to us for simple tax support. When we talked them through the additional levels of service, they decided to move all of their payroll, bookkeeping, and compliance over to our firm. As our team dug into the metrics, we found they could save a significant amount of money by switching to us and consolidating services previously provided by a professional employer organization (PEO). That allowed us to go to our client with a question: what would you do if we gave you a check for \$4,000 every month?

That's when our business advisory services truly kicked in. We counseled the client through the various ways they could use those cost savings and the impact on employees and business operations. What would it look like if they hired an additional employee? What about buying new office equipment that would improve employee experience and increase retention?

These conversations really opened the client's eyes to our ability to act as a strategic advisor. They've since asked us to join quarterly board meetings to help them set strategic objectives. We've essentially become an extension of their team based on our proactive business advice.

This type of offering takes time and involvement, so it's important to understand how your firm operates and what your clients need. Accountants should take advantage of the unique data and insights they have access to, and use them to start proactive conversations with clients to improve their people operations and grow their businesses.

As accountants, we have the right combination of financial metrics, high-level visibility, and expertise needed to truly make a difference for companies' success. I'm excited to see how our profession continues to evolve as we help more businesses tackle the unique challenges and complexities of a post-pandemic world.

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Wyatt Kneaper is CEO of [Lighthouse Accounting Group](#). He started his finance career in the banking arena three days after he turned 18, and has since served several organizations in positions ranging from regulatory compliance to executive management. In 2021, he established [Lighthouse Accounting Group](#) with the vision of developing a modern and professional accountancy organization that would elevate the industry standard of accountancy. Kneaper serves as a financial crimes investigator and subject matter expert for The Anti-Human Trafficking Intelligence Initiative, contributing to special projects and regulatory investigations during the off season. He is also heavily involved in advocacy and research for Crohn's Disease & Ulcerative Colitis and is a long time survivor of Crohn's Disease.

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