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opportunities for future growth.

Isaac M. O'Bannon • Dec. 06, 2022



Client Advisory Services (CAS) practices [reported a median growth rate of 16%](#), and firms are optimistic about the continued opportunity in this practice area, according to a [new survey](#) by CPA.com and the American Institute of CPAs (AICPA).

Respondents projected 15% continued growth in the current year, with 72% of All Respondents and 81% of Top Performing firms expressing confidence that their pipeline shows opportunity for continued growth.

CAS has been the fastest growing service area in public accounting and is projected to

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and embrace new business models to maximize value for staff and clients. This year's report identified an emerging trend related to the business model with more than a quarter (26%) of All Respondents and 33% of Top Performers outsourcing bookkeeping services, freeing up staff to focus on higher value client work.

“For more than a decade, we've recognized the potential of client advisory services to help CPA firms provide more value for clients through expanded offerings,” said Erik Asgeirsson, president and CEO, CPA.com. “Today, firms that have been intentional and strategic in their approach to building and scaling their CAS practice are thriving and poised for continued growth.”

The AICPA and CPA.com define CAS as Client Advisory Services, a practice to help clients outsource their accounting needs with services spanning a spectrum of financial, accounting and advisory-related offerings. The vision of CAS is to provide higher value to clients and deepen the trusted advisor relationship, allowing clients to focus on their core competencies and deliver on their value proposition to customers. CAS offerings are enabled by technology and processes that deliver timely data and provide clients with deeper business insights to inform strategy and decision-making. While basic compliance work and operational services are foundational to CAS, continuous business planning and advisory discussions supported by financial and non-financial data, delivered through industry-specific KPIs, is fundamental to the differentiation and success of this service in the accounting profession.

The survey offers numerous insights about the evolution of CAS offerings and opportunities for future growth. Some of the takeaways include

- **Dedicate staff.** Focusing team members on the CAS practice will enable them to develop into experienced CAS contributors faster and likely produce more

consistent and higher quality work. Among Top Performers, 57% report having

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more than 70% of respondents report using a workflow to create tasks and track engagements, a best practice that enables standardization.

- **Raise fees to reflect the value provided.** Pricing strategies should reflect the added value, demand for services and scarcity of resources delivered through CAS. If firms are using existing hourly rates as the basis for fees, or closing new clients at a high rate, they are likely underpricing. Higher fees will better represent the work being done and lower stress on fast-growing practices.
- **Explore creative staffing and capacity-building measures.** Explore offshoring, outsourcing, contract workers, non-accounting graduates, administratively minded service coordinators, and more to address staffing shortages and bring new capabilities into the practice.
- **Educate clients and staff on CAS and the value provided.** More than two-thirds (69%) of respondents reported misconceptions about CAS practice value as a top hurdle for growth, and 36% say staff don't understand the value of CAS or confuse it with bookkeeping. CAS leaders need to create their value proposition and keep it at the forefront of all discussions with clients or staff.

CPA.com will hold a [free webinar](#) Tuesday, Jan. 17 at 2 p.m. ET to highlight key insights from the survey and offer practical strategies for firms to strengthen and develop their CAS capabilities. The company's CAS Roadmap, CAS Client Assessment and CAS Financial Planning & Analysis workshops, CAS Firm Self-Assessment, whitepapers and other resources are also available for firms looking to start or expand a CAS practice. To learn more, please visit cpa.com/client-advisory-services.

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