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By Richard Corn, CPA.

Accounting firms are continuously innovating, developing new offerings and finding new ways to stand out in a crowded field. While many firms are (understandably) focused on securing new clients, in this competitive landscape complicated by increasing market challenges, it is as important as ever for firms to retain their existing clients as well. New clients will always be important for firms, but existing clients offer a path for maximizing internal resources while expanding services.

Strong client relationships can be fostered through a variety of methods. One

KPIs enable businesses to measure success. This might look different for every accounting firm, but to measure success with clients, there are certain areas firms can assess to understand what they are achieving. These areas include time saved, amount of errors reduced, accuracy, client satisfaction, and more.

Adding KPIs to regular client conversations also creates an opening to discuss value-based pricing. Once firms realize what clients are valuing in their services, they can figure out where prices can be adjusted. Whatever services your clients are finding value in can be moved to a value based pricing model.

The process of developing external KPIs can also be an important moment to re-evaluate internal KPIs. Firm leaders can work with their accountants to improve internal processes and align workflows to meet external goals.

While there are many ways you can measure success, what follows are some of the more common KPIs that can be easily incorporated into your practice to demonstrate your firm's value to clients.

Time saved on financial processes and reporting

One way to easily show value to clients is to show how much time is being saved on administrative-level work by implementing new technologies, with AI capabilities. Firms can use technology to help automate financial processes and reporting.

Firms can start by setting a goal of spending only a certain amount of time on these areas for each client. By tracking this year-over-year, firms can better manage where their time is being spent. This can be communicated to the client by explaining time that used to be spent on administrative work can now be allocated to higher-value advisory work.

While this KPI can be viewed as more of an internal benefit, the larger effects create

spend and assist in getting that spending under control or removing it entirely. Lack of funds can be a large pain point for businesses, and the transparency into cash flow can help your clients spend better. Spend & expense management solutions increase visibility into cash-flow, providing real-time data and identifying potential roadblocks before they happen. These solutions also help enforce budgets, which can further control spend and improve cash flow. Many firms are starting to see value in adding spend & expense management to their outsourced service package as a way to get one step closer to seeing all expenses in real time.

Accuracy Improvements

In an ideal world, there would be no mistakes made on client work – but realistically, errors do occur. Not only can it be frustrating for clients when mistakes are made, but there can also be financial implications and time costs depending on the particular mistake. Firms can showcase their accuracy to clients by showing either a reduction in errors or that no errors have been made. This increased accuracy can also help to accelerate month-end closes and prevent double payments – a potential improvement that clients will notice.

AI technology can mitigate manual errors that naturally occur in data entry tasks, catching human errors instantly before they become a larger issue. While we would never want to remove humans fully from this work, AI can be an extra line of defense against mistakes that can cost time and money.

Firms can also measure the accuracy and timeliness of their financial statements as a KPI. Real-time data provides the inputs needed for accurate forecasts. When your firm has a better understanding of the client's business health, problems can be spotted sooner and can be fixed before they become a larger issue. A proper tech stack, which can accurately capture the up-to-the minute data, can provide the insights accountants need to guide their clients.

This may sound obvious, but client satisfaction is another important KPI for firms to track. This can be measured with an annual Net Promoter Score survey, or simply by tracking client turnover, since a satisfied client is one who will stay. The longer a client stays, the more opportunities you have to offer more services. Not only will this set up a way for clients to provide feedback on your work and the overall working relationship, but clients can also see how your firm compares against some of their other partners.

How well your firm achieves other established KPIs contributes to overall client satisfaction. Response time, reducing errors, saving time, and more can all contribute to how happy a client is with your services.

From the firm side, it helps to see what is working with the client and what needs improvement, especially as firms move more towards becoming CAS practices.

Remember – KPIs are not set in stone. They can adjust as needed, but there needs to be enough long-term stability to provide consistent measurements. As your relationships with your clients evolve over time, priorities may shift and some KPIs will need to be added or removed.

Most importantly, through creating and implementing KPIs, firms can learn more about their clients' pain points, deepen the relationship with their clients, and prove their value beyond the busy season.

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