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accuracy, and reshape the traditional roles of accountants, necessitating a greater focus on advisory services and strategic financial guidance.

Isaac M. O'Bannon • Feb. 08, 2024



Accounting firms employing cloud-based technology solutions experience higher levels of growth, but many are still grappling with how to harness the full power of such tools for strategic benefit. This is according to the 2024 U.S. Accounting Industry Report, commissioned by Wolters Kluwer, which polled 1,776 tax and accounting firms of all sizes, also shows that modern accounting practices face a mix of internal and client facing challenges.

“The accounting industry is undergoing significant changes driven by advancing technologies such as generative AI, automation, and machine learning,” said Cathy

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For instance, cloud adoption and migration for various tools increased significantly in 2023, with the largest jump being a 19% year-over-year increase in firms reporting they've implemented crypto tax and accounting platforms. However, a very low number of firms – only 9% – believe they are maximizing the use and value of their current technology. Only 25% say they are seeing at least 75% of the value of their current technology.

Top priorities

Notably, a majority of firms reported an increase in revenue in 2023 (59%), with 64% expressing extreme confidence in their firm's ability to meet customer needs. Looking to build on these successes, the survey reveals that the industry's top priorities for 2024 are increasing revenue (61%), improving client service (50%), and reducing costs (44%).

Migration to the cloud remains a priority for firms, with survey respondents reporting the largest increase in cloud-based tools that we have seen in recent years. Firms are being rewarded for their shift to the cloud, as well, with 71% of cloud-based practices reporting improved profitability in 2023, compared to only 55% of respondents overall.

Enduring challenges

Top challenges that firms expect to face in the next one-to-three years include pricing and competitive fee pressures, completing work accurately and on time, staying up to date with technology, keeping track of changing legislation, and meeting client expectations.

While post-pandemic economic uncertainty plagued firms in last year's survey, this year a new issue shot to the top of the list of concerns: pricing and competitive fee pressures. This sudden emphasis highlights the major impact of inflationary

pressures and continued competitiveness from multiple directions in the past year,

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in those citing it. Investing in technology might help with employee retention: more than half of respondents (54%) said technology has helped improve staff engagement.

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