

# A Guide to Profitably Delivering Advisory Services in Your Accounting Firm



# This is your sign that it's time for client advisory services



Can your firm add a service that is valued by clients and generates more revenue for you? Sound too good to be true? It's not, and that's why accounting firms of all sizes need to embrace Client Advisory Services (CAS).

In the [2022 CAS Benchmark Survey](#), firms projected 15% growth in their CAS practice in the current year with growing net client fees per professional. Not only is it a service more clients are looking for, but it's proven to be a high-value driver for firms as well.

The rising demand for client advisory services is twofold. The first factor is [the high rate of failure for new businesses](#). With cash flow being the leading cause of failure, business owners are turning to those with the most in-depth financial expertise for help avoiding this pitfall. The second factor is the change in the perception of what accountants do. [AI and other technologies are changing the role of accountants](#), and consumers want insight beyond the financial reporting they perceive as being deliverable by software.

What this means for accounting firms is that it's time to lean into advisory services. By making small changes in how you operate, you can start delivering high-quality advisory services that will keep your clients coming back.

## Here's what to expect in this guide:

- Introducing CAS, and the fundamentals of getting started
- Communication best practices and soft skills needed to succeed
- Real world examples of packaging services
- Pricing considerations for CAS
- Templates for communicating with clients



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**“If you're on the fence about CAS, ask your clients. My own conversations revealed an eye-opening find: Customers loved our services so much that they would pay more for them. Understanding that value allowed my company to shift our sales process and raise our rates. The customer input was very empowering.”**

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# Start with the Fundamentals

Advisory services involve a wide range of potential deliverables. CPA.com has even coined the term [CAS 2.0](#) to define a CAS maturity model where you provide increasingly advanced services along a spectrum.

## Your advisory services may include a tailored mix of services, separate or as a package:

- Software training
- Controller Services
- AP/AR Services
- Monthly/Quarterly Strategy Meetings
- Tax Planning
- Cash flow forecasting
- KPI reporting

The list goes on (more deliverables provided later in this guide). For now, it's important to understand that none of these are possible without first becoming extremely efficient in the day-to-day transactional tasks of serving your clients.

Before you start offering additional services that will increase your workload, you must focus on the fundamentals of your firm. Do you have a repeatable workflow in place? Is it documented? Do you know how much time it takes? The answers will help you find time in your routines before starting client advisory.

Being able to deliver data to your clients efficiently is the first thing to address. This means having efficient bookkeeping and reporting. If you're slow or reactive with your data, you won't be able to provide the insights that your clients expect. Increase your output by [boosting your firm's productivity](#), using [automation](#), and exploring [apps that save your firm some time](#).

Importantly, track your efficiency. Accountants know that numbers don't lie. Invest the time it takes to do actual client work and analyze results. This can be handled easily with [accounting practice management software](#).



# What Meaningful Advisory Services Look Like



Advisory-as-a-service is difficult to define since deliverables vary by firm and by client. To scope your advisory services, consider three things:

## 1. Start with the Right Client

The most important part of delivering client advisory services is meeting the needs of your client and how they want to participate. These needs will depend on the client's industry, stage of growth, and long-term goals.

The more of a niche your firm has, the better the opportunities for advisory services. For example, if you're mostly serving construction companies, you'll have better insight into the industry trends and averages to use as a north star to guide your clients.

To kick off an advisory engagement, have a conversation where you dig into their goals and collaborate on establishing KPIs (key performance indicators) that can be tracked. Returning to our construction example, you might track profitability by project and measure it against a predetermined goal to understand which projects have the best margins.

Communication will play a big part in the engagement. Make sure your clients are engaged by asking them questions and actively seeking feedback. Sending follow-up emails with action points and hard commitments for both you and the client is another way to aid communication.

## The ideal client for launching CAS

**Look no further than your existing client base to find a target for CAS. You may already have a gold mine of insight from information they share in conversations and what can be gleaned from their financials.**

**Introduce CAS to:**

- **A handful of your best or longest clients**
- **Offer a discount for the first few months so they can see the value (and help you refine the process and deliverables)**
- **Use established lines of communication with company leadership**
- **Open the dialog with a conversation about company goals/plans**

# What Meaningful Advisory Services Look Like

## 2. Use Soft Skills

While much of an accountant's work is numbers and objective truths, advisory work depends on soft skills. How you interact with your client will be a large factor in whether they actually receive the value you're bringing to the table.

The most important soft skill is good listening. You must listen for your clients' perspectives, informal goals, or objectives, and their "take" on industry topics. A big way to improve your listening is repeating back what you hear a client saying to confirm their understanding. This shows up by using phrases like, "I hear you saying X; am I right in assuming this means Y"?

Empathy is also key; understanding what drives your clients and being open to what they think or feel. Sometimes a client will take action for emotional reasons rather than logical ones. Give these emotions space and understand when that takes precedence over your advice.

As part of showing your empathy, show understanding of how your client wants to receive information. This can include how you communicate, the information that's most relevant to their situation, and how frequently you are delivering it.



# What Meaningful Advisory Services Look Like

## 3. Connect Data to Goals

Client goals are the first part of advisory services, shaping what you'll advise on. From there, you can determine what kind of data informs those goals.

Once you've determined the reports and metrics that are most pertinent to your client, it's time to consider the best way to deliver it. Keep in mind that you'll want to provide context for all data points and set the scene for recommendations or advice. You might be well-versed in the reports and terminology of financial information, however your client might not be. If you're going to talk about profit margins, for example, talk about how it's calculated and why it's important. Don't assume they know acronyms like EBITDA.

It's also essential to look forward and backward. Don't just talk about what has happened, but what will happen and how that can be changed. Predictive modeling can help anticipate and avoid potential problems.

If past decisions are something you want to talk about, tie them into the future by discussing their consequences and comparing them against the alternatives.



Your advisory services aren't likely to be perfect right out of the gate. Rather you should expect to revisit deliverables and processes several times.

## Define The Parameters of Your Service

When you roll out advisory services, it's critical to create definitions in your services. While you are taking a more relational role with clients, you still need to have set boundaries for the sake of your own time and your profitability.

What helps here is creating set packages and fixed fees to deliver services.

Many accounting firms (and other service industries) have found success in offering three-tiered pricing with a Good, Better, Best approach to packaging services.

Your packages will be specified based on your clientele and skillset. Here's an example of advisory packaging:

### Bronze

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Bookkeeping,  
Monthly  
Reporting, Bill  
Pay, Payroll,  
Monthly Strategy  
Meeting

### Silver

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Everything  
in Bronze,  
Dashboard KPIs,  
Budget to actual  
reporting

### Gold

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Everything in  
Silver, Rolling  
12-month  
cash forecast,  
Monthly CFO  
strategic  
meeting

**"I advise making small and incremental changes – they can reduce the risk of CAS. You might worry that it's a big departure from your core business, and it's going to be expensive or time-consuming, but starting small allows you to experiment with micro changes to evolve, iterate, and optimize."**

# Definition Leads to Profit and Process

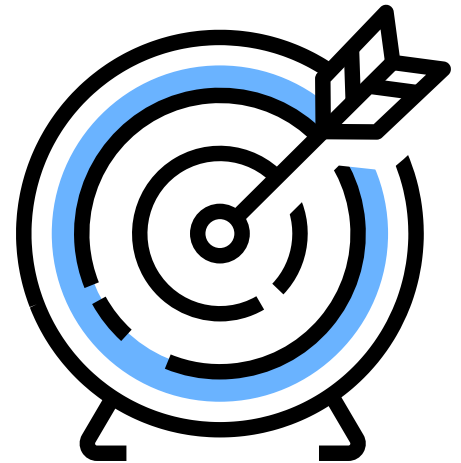
There are a variety of options when it comes to defining your deliverables. The key is to create the definition. If you don't define the services, your clients will define them for you, and you'll always be reacting.

Create packaged services that you are comfortable with and that you know will provide value for your ideal clients. Next, make it a repeatable process, just like with your compliance work.

## What About Pricing?

Your service packages and pricing go hand-in-hand. By creating your preferred three tiers, you can evaluate what resources, technology, and time will be required to deliver each service. You can also create set prices for each package, so you set yourself up for profitability.

When you're first starting out, it's important to track everything. You'll be starting out with assumptions about your time commitment. Make sure you are confirming that your assumptions align with reality.





# Definition Leads to Profit and Process

## Think Value, Not Time

Remember, your clients are eagerly desiring advisory services. When delivered properly, this can be a lifeline for their businesses. Keep this in mind when you are pricing. This is not simply hourly work. This is a high-end deliverable on the spectrum of FP&A or fractional CFO services.

A common mistake for accounting firms is pricing too low, which will make advisory unsustainable.

Pricing expert Ron Baker explains that because you're in an advisory relationship with a client, your value is in your ongoing expertise:

***"The client pays a regular subscription for access to you, the accounting expert. Some months, they won't need you very much. You'll be doing only perfunctory things, like payroll. But, in other months, the client may be audited, and you step in and take care of that because that's what the client has been paying for all along."***

With this pricing model, you're charging the client for an ongoing relationship, which becomes naturally more valuable the longer they work with you because you come to better understand their needs and personality.

***"The client is paying for your expertise. They're paying for access, not a simple list of services." - Excerpt from Grow Your Firm Podcast with Ron Baker***



# Create Templates Based on What Work

## Create Templates Based on What Works

A good advisory service workflow should be both repeatable and scalable. This includes everything that precedes the insights you provide, like bookkeeping and report generation. Simply put, if something works, make sure you're doing it again.

Once you've defined your service parameters, it's important to document everything you're doing so that it's a predictable service.

Too often, advisory services can become ad hoc and reactive to what each client is focused on. As the advisor, you should have a proactive approach to providing the maximum value to your clients. This includes not only defining the services but creating streamlined templates so you can provide the service repeatedly.

**For example, using a workflow tool, you should be able to turn your packaged services into a template that includes:**

- Email messaging
- Monthly checklists
- Due dates and reminders
- Team collaboration
- Progress tracking

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**Before considering CAS, have your workflow in order. Many teams gain as much as 10 hours per week by implementing standardized to-do lists, automation, workflows, and dashboards—essentially creating the time for CAS.**

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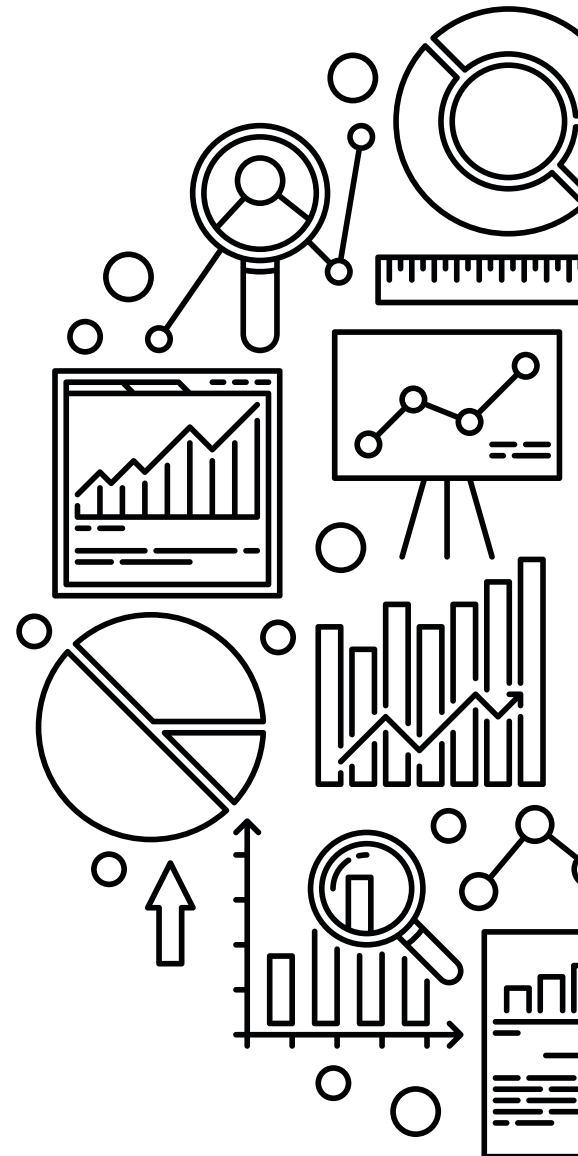
Now that you're feeling ready to launch your client advisory services, it's time to do so with confidence. These are the three keys to a successful launch.

## 1. Start with Existing Clients

You already have a starting point and established relationship with your existing clients. You might even already have ideas on how they can make impactful changes to their operations which is a fantastic selling point.

Remember that a good advisory service is dependent on the effort both you and the client put into it. Avoid starting with clients who are poor at communicating, disappear for long stretches of time, or can be demanding. Look for those you can see yourself providing advisory to long term.

Consider drafting up a sales pitch email that can be modified for each client. Be sure to talk about the cost of the service, the deliverables, and why you believe it can benefit their business. You may want to offer a trial rate or discount for a pilot run to ensure expectations are in check as you get comfortable with the new services.



When communicating new services, brevity is key. Get right to the point, and lead with context based on your existing relationship. Here are two examples of emails you could send to an existing client to introduce new advisory services:

**Hello Client,**

**Hope all is well! I've noticed things are trending in a positive direction in your business, and I wanted to let you know about some additional services we're providing that can help with your growth.**

**We're starting to offer advisory services on top of the reporting we're already providing, where we will take a deeper look at your personal and business goals, then create a financial model and reports to track your progress on those targets.**

**I'd be glad to chat and hear more about your goals, and we can see this might be a good fit.**

**You can grab time in my calendar here <LINK>.**

**Looking forward to it!**

**Hello Client,**

**I'm really enjoying our partnership and seeing your business progress. We are hearing from more and more businesses who are looking for a deeper view into their financials.**

**Is that something you'd be interested in too?**

**We have introduced some expanded services that include KPI reporting and cash flow forecasts, plus a monthly meeting to provide data that can help you make decisions and reach goals.**

**I'd be glad to connect this week and talk through this. Choose the day and time that work for you on my calendar <LINK>.**

**Looking forward to it!**

## Introducing CAS to Your Clients

When you have clients respond, here are a few tips for the ensuing conversation.

- First, ask a lot of questions. You don't need to do all the talking about your services. You should try to understand from the client what they want, what their goals are, and which reports are most important to them.
- When you ask questions and get an answer, ask follow-up questions. For example, they may say the most important metric for them is revenue growth. Ask why. And then ask what are the main indicators that lead to revenue growth. Ask what revenue growth means for them.
- As you follow up, you'll get to the core of their plans and goals and can tailor your packages to deliver the information they need most.
- When you do talk about your services, you can emphasize your packages or tiers of service and how they are designed to give a business owner the exact visuals they are looking for.
- To close, you should be able to guide them to a proposal or pricing page with your tiers and some options to choose from.

## Start Simple

- **Limit your scope to forecasting, margin management, inventory management, and cash flow management using the technology tools you have.**
- **Trendline how your client is doing year over year or month over month and how that relates to the rest of the industry.**
- **Report how they rank and anything you see that is a delta or red flag.**
- **Share best practice recommendations to meet goals or address challenges.**
- **Note new technologies that would enhance CAS or client operations and run cost analyses to prioritize them.**

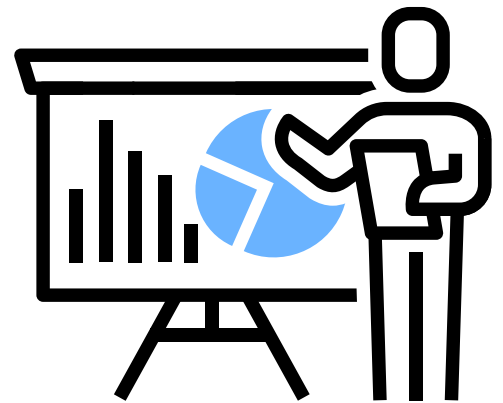
## 2. Take Small Steps

Plunging head first into advisory can lead to burnout and being overworked. Instead, make small steps towards your long-term goal to keep the growth sustainable. Before you make your advisory services public, start by only offering them to a select few.

The key to taking small steps is letting you refine your service before you make it more widely available. From the first few engagements, you'll be able to gauge what your clients are expecting, the time it takes to deliver, and ways to expedite the process.

## 3. Analyze Results

Once you're in the swing of things and advisory services are a consistent offering, it's time to analyze the impact on your firm. Be sure to look into the hours of work spent on the clients you're offering advisory services to versus the ones you're not. Any trends in profitability or efficiency will tell you whether advisory services are actually a good fit for your business model and what might need to change.



**To get a complete overview of your firm's output and efficiency in a single space, look into a practice management solution like [Jetpack Workflow](#). Not only does it help you stay on top of outstanding work and due dates, Jetpack Workflow also keeps tabs on progress and measures inputs to deliver the work you do. You will also see what your firm's capacity is for new clients so you're not overcommitting and overworking.**

**[Sign up today](#) and get a 14-day free trial to see the platform in action. You'll see why our management software saves accountants an average of 10 hours per week that can be spent delivering the advisory services clients want.**