

A supplement to *accountingtoday*

TAKING OFF

CAS is taking accounting firms to new heights — but there's lots of prep to do before a launch



Checklist for launch

There's lots to do before lighting up a client accounting services practice

By **Antoinette Alexander**

Is your firm looking to launch a CAS practice? If so, you're not alone. In recent years, client accounting services has emerged as a strategic, high-growth area for an increasing number of firms, and the growth shows little signs of slowing.

For those practitioners still sitting on the sidelines, it may be a question of "how" not "if" they should develop a CAS practice. From service offerings, to staffing, to technology, to pricing, having the right tools and processes in place is no doubt critical to success.

More than just a buzzword, CAS has become a strategic and profitable practice area within a growing number of firms. In fact, CAS practices reported a median growth rate of 20% during fiscal 2019 and the early part of 2020, according to the most recent CPA.com and American Institute of CPAs' PCPS Client Advisory Services Benchmark Survey. This was more than the 15% projected, and it outpaced the 12% growth CAS practices reported in the inaugural CAS benchmark survey in 2018.

The most recent survey also indicated that CAS practices are profitable, with median profit margins of 34% for all firms and 47% for top performers.

"Clearly, there has been a growing interest in more firms looking to explore the CAS category and begin offering CAS services to their clients. I think one of the drivers of that interest is the profitability of this practice area, and also the client demand," said Kalil Merhib, vice president of growth and client services for CPA.com. "As technologies have emerged that are cloud-based and allow for better collaboration around a single source of truth, and also, of course, high-speed internet becoming available ... where all clients are or most clients, I think that the model of the after-the-fact write-up service and the value that that provides as a compliance activity versus the value of having the firm engaged with the client throughout the monthly cycle really had an opportunity to be defined as well."

Commenting on the "explosive" growth in CAS practices, Kevin Cumley, senior director of the Sage Intacct Accountants Program, said, "I don't think I've ever seen as much growth happening in the accounting profession as I'm seeing in CAS over the last five, six or seven years, probably. And I just don't see it slowing down anytime soon."

While the COVID-19 pandemic certainly intensified business clients' needs for strategic advice and highlighted the importance of such services, CAS was already on a growth streak prior to the pandemic. Advancements in

technology (particularly cloud-based solutions), a shift in client demands and expectations, and the commoditization of compliance-based services have contributed to the rise of CAS. Now, for a number of firms, there's no looking back.

Before moving too far ahead, let's first take a look at what defines CAS. Having a clear understanding of what it means is important, as the definition, and even the practice name, can vary within the profession. For instance, some firms may call it client advisory services, or CAAS (client accounting & advisory services), or OAS (outsourced accounting services), or by some branded practice name.

"Firms' practices know they need to move into CAS, they know they need to move to advisory, but there's a total lack of definition," said Eric Wong, vice president of marketing for Jirav, a provider of business planning software for small and mid-sized companies. "CAS generally indicates that you're moving from backward-looking services to forward-looking services. The concept of modern CAS, or evolved CAS, or CAS 2.0 says that you're going to leverage technology to be even faster and better. ... One of the big needs that need to happen is we need to drive through the definition around CAS, [and] what those services are, so they can be as simple to understand as tax, audit and bookkeeping."

As defined by CPA.com and the AICPA, CAS is "a practice where firms advise clients across a spectrum of financial and accounting-related decisions, with the goal to deliver higher value and deepen the trusted advisor relationship. CAS practices leverage technology and processes to provide timely updates and deeper business insights to their clients."

Your menu of services

One of the first steps in launching a CAS practice is determining the specific services that the firm will provide to clients.

As noted by CPA.com and the AICPA in the Benchmark Survey, "Supported by underlying outsourced accounting services, including bookkeeping and financial statement preparation, CAS services range from business process outsourcing (e.g., bill pay/expense management, payroll, etc.) to virtual, outsourced controller or CFO services, including business forecasting and modeling for clients."

The most common offerings by CAS firms, according to the survey, are:

Spotlight on

Right Networks



Roman Kepczyk
Director of firm
technology strategy

Why should accounting firms consider starting a CAS practice?

Client accounting and advisory services (CAAS) is driving the future growth of the accounting profession as traditional compliance services are continuously being disintermediated by the automation of accounting, tax and business information processing. CAAS provides greater value to the firm's clients as it focuses on actually improving the client's business and being proactive, which is what clients want and need. Firms that embrace CAAS will improve not only their clients' businesses, but also their own!

How are you helping firms offer CAS?

Right Networks is supporting the accounting profession's evolution towards CAAS by hosting the IT components of both the firm and their clients together in the cloud so they can securely collaborate in real time. The Right Networks hosting platform allows them to continue to utilize applications they know and love, along with those that may have transitioned to a vendor's cloud application, while also providing technical support, data backups and disaster recovery.

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▶ Financial statement preparation (offered by 96% of surveyed firms);

- ▶ CFO/controller advisory services (92%);
- ▶ Accounts payable (90%);
- ▶ Forecasting/budgeting (89%); and,
- ▶ 1099 creation and filing (89%).

The research also found that, in addition to CAS, survey participant firms offered the following services:

- ▶ Tax services (90% of all respondents, 96% for top-performing firms);
- ▶ Audit services (74% of all respondents, 88% for top performers); and,
- ▶ Wealth management services (38% of all respondents, 48% for top performers).

Top performers are identified as the top 25% of CAS practices based on net client fees per professional data, the survey noted.

Determining the CAS services that will be the best fit for your firm begins with having a plan, and a clear understanding of your firm's skill sets and the pain points facing both your staff and clients.

"It starts with having a vision. As a practice owner, you're going to have some hunches on what you want to look like in the next one year or five years. You might be a smaller, niche firm or you might have aspirations to be a top 10 firm. Depending on what your vision looks like, that is going to offer some guidance," said Wong. "A more pragmatic way to look at it is: What services do you currently offer? The team that you have on staff — what are their current skill sets? What are their interests? How

do you want to grow their skill sets?"

He continued, "From there, look at the client base. Different types of clients have a propensity to use different services. And then look at the team. You might have a team that's anxious to learn more, or do more, or start to get into the future insights and the advisory side of things. Or you might decide you want to add some members and hire in experts around some of the advisory roles. But usually it's current services, client base and team that will give you the most views around what types of services to offer."

Jeannie Ruesch, director of marketing for Bill.com, suggested that firms begin by identifying client pain points and better understanding where they need the most help. This can be done through a direct discussion with clients or even through surveys.

"Your firm may be offering advisory services already and not know it (or charge for it). Once you know the need, match that with what makes sense for your firm. Review existing capabilities, employee interests and your firm's appetite for expansion. ... Utilizing the strengths of the team you have creates more buy-in and demonstrates that you respect diverse opinions," she said.

As outlined by Ruesch, some factors to consider when thinking about which services to offer include:

- ▶ Will the CAS practice be an extension or an expansion of the firm?
- ▶ Do you envision a bigger team or just a more strategic one?
- ▶ Are you developing new services?

Spotlight on

AccountantsWorld



Div Bhansali
Senior vice president,
sales and marketing

Why should accounting firms consider starting a CAS practice?

In a word, responsiveness.

The big idea behind CAS isn't to merely increase your number of service offerings, but to customize your services to the needs of each client, while maximizing your profitability. This definition of CAS allows you to build long-term, win-win service relationships with your clients. Moreover, this level of service was impossible until the introduction of the latest cloud software. Streamlined workflows, closer collaboration between accountants and their clients, and real-time access to KPIs all combine to allow accountants to easily deliver outsourced accounting services.

How are you helping firms offer CAS?

Most accounting software is created for small businesses — and is sold directly to them. This puts accountants in a reactive position and limits their ability to best serve their clients. AccountantsWorld brought that control back to accountants so they can best serve all their clients, including those who want to offload all their accounting work to their accountants. Created exclusively for accountants, our cloud-based Accounting Power software is the first true CAS solution. Accounting Power includes both a powerful professional system and a comprehensive GL system with streamlined workflow, which gives it the power and control you need to run a high-volume, high-margin CAS practice.

AccountantsWorld focuses on one simple concept: Bring control of accounting and payroll back to accountants. Stronger control of these services helps accountants better serve their clients and raise their firms' profits. Today, AccountantsWorld offers a complete suite of professional, accountant-centric cloud software to thousands of CPA firms for accounting, CAS, payroll processing, document management, after-the-fact payroll, and practice management. AccountantsWorld is a two-time winner of the CPA Innovation Award. For more information, visit Accountantsworld.com.

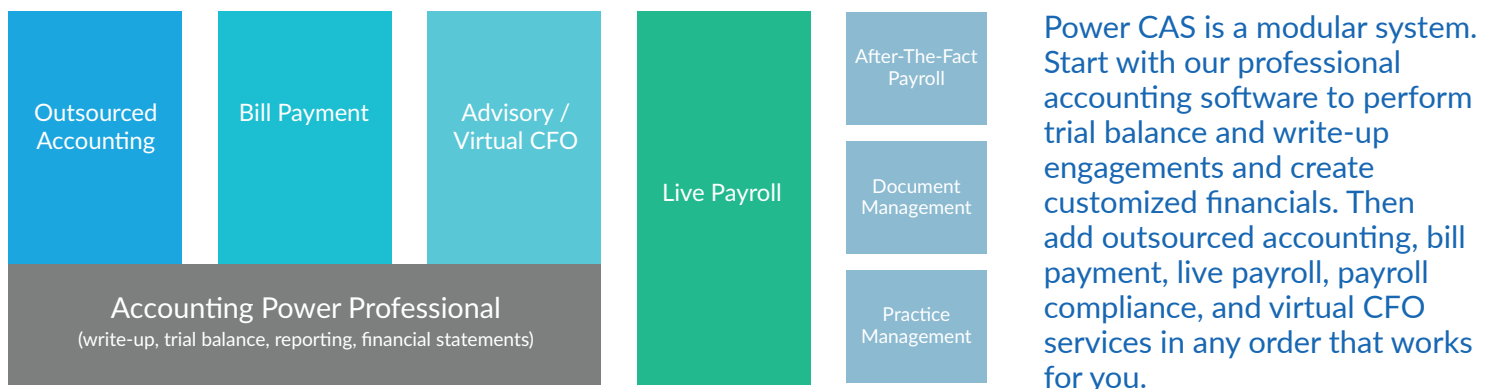




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Special Report: Launching a CAS Practice

▶ Do you have the technology to deliver those services as efficiently as possible?

▶ What are your current employees most passionate about?

▶ Does anyone have a hidden expertise that could be leveraged in a new service?

▶ What are you missing in your skill sets?

Advised Darren Root, founder of accounting firm improvement organization Rootworks and chief strategist for cloud hosting solutions provider Right Networks, "Start with client needs. What are clients doing today and what are they struggling with? At the end of the day, the client needs good information, quality information, and they need good advice, and they need that on various frequencies. ... I think there's a different question today, which is: How are my clients managing their businesses? ... What's the talent like at SMBs? And how can I fill those gaps? How can I create services that fill those gaps?"

Steven Brewer of Steven Brewer & Co. in Salem, Indiana, believes a good place to start when determining which CAS services are the best fit for your firm is by understanding not only the pain points of your clients, but also the pain points of the staff.

"We as firms are compressed with work. This time of year, you've got clients that are bringing books in once a year, or something like that, and you're having to spend hours cleaning them up and getting them even ready to start doing a trial balance or anything like that," he explained. "It brings to your attention: What do I need to offer to get rid of this pain for me, and how do I present that to the client in a way that is beneficial to both? If you have pain, you know your clients have pain. Listening to the pain from both sides can help you determine what you need to offer."

From there, added Brewer, "What are the resources that it is going to take for us to [provide those services]? Do we have them in place or do we know we have the opportunity to bring those resources in? ... The human capital resource is the big thing right now."

Different journeys

At Fort Worth, Texas-based Top 100 Firm Whitley Penn, its CAS practice is branded as WP Edge. The CAS team handles the details of accounting, bookkeeping, payroll and tax records on behalf of clients and, more specifically, is able to assist clients with such services as:

- ▶ Cash flow forecasting and analysis;
- ▶ Budget planning;
- ▶ Inventory and sales forecasts;
- ▶ Financial reporting including metrics and KPIs;
- ▶ Fractional controller/CFO services; and,
- ▶ Acquisition due diligence.

WP Edge partner Irfan Dossani said the firm has been providing CAS since the early 1990s; however, it formally

launched WP Edge as a stand-alone service line in late 2018.

"The leadership of the firm realized that there was a need to separate this service line away from tax or audit traditional practice oversight, since many partners offering CAS services were not able to keep up with the demands of their primary service lines and serve clients well. Furthermore, the rapid deployment of CAS technology in the industry necessitated a dedicated team that was fully in tune with scaling this service offering," Dossani explained.

For the service offerings at WP Edge, it made sense to the CAS team to "start at the basics" of what it was already providing clients.

"We started in the 1990s doing monthly and annual bookkeeping for clients in QuickBooks Desktop and supported all the accounting functions such as payroll, accounts payable, accounts receivable, related compliance work and reporting," Dossani continued. "There was a shift that had started to take place about 10 years ago around more automated processes, using technology to become more digital, and help solve some operational problems using technology. We realized that there was a reimagination that needed to take place on how to evolve a service offering that was basically referred to as a bookkeeping practice."

Today, WP Edge provides outsourced accounting solutions to startup to midmarket companies in such industries as technology, real estate, construction, manufacturing, oil and gas, restaurant and hospitality, health care, family office and nonprofits.

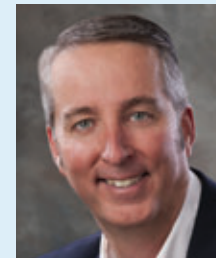
Kane Polakoff, practice leader of the client accounting advisory services or CAAS practice at Top 100 Firm UHY Advisors in Farmington Hills, Michigan, recommended a measured approach and said it's important to first look internally when developing the menu of CAS services.

"I understand the desire for firms to make a big splash at launch by offering a full suite of services, from transaction services up to CFO-level services, but that is a challenging approach. You want to do an assessment internally first and figure out what services make the most sense for your firm. What skill sets do you already have or could develop relatively quickly? How much capacity does the team have? Are there specific industries where you already have expertise that could be an opportunity to test your services?" said Polakoff. "I recommend dipping your toe in first at the transactional level and getting good at those core services before adding advisory services. The same thing with industries: Don't go out and try to be everything to everyone on day one. If you focus on industries where you have relationships and expertise, you already speak the same language and are more likely to succeed."

Polakoff spearheaded the creation of the firm's CAAS practice in July 2019 to help centralize and standardize

Spotlight on

Sage Intacct



Kevin Cumley
Senior director,
Sage Intacct
Accountants Program

Why should accounting firms consider starting a CAS practice?

CAS is currently the highest growth area for accounting firms and will likely continue growing well into the future. SMBs increasingly want to outsource their accounting function, so it presents a significant opportunity for firms. CAS is advisory, which allows firms to provide higher-value engagements, resulting in better and stronger client relationships. CAS is also more interesting work for many accountants and that will lead to higher staff satisfaction and retention levels.

How are you helping firms offer CAS?

The Sage Intacct Accountants Program enables progressive firms to deliver high-value accounting and strategic advisory services that help all stakeholders grow and succeed. We advise firms on developing a business plan, provide in-depth enablement on building a successful CAS practice, product training and certifications, share proven practice methodologies, give guidance on marketing and sales, offer product technical support, and have a dedicated team of CAS experts that provide ongoing consultation to our partners for long-term success.

Sage exists to knock down barriers so everyone can thrive, starting with the millions of small and mid-sized businesses served by us, our partners and accountants. Customers trust our finance, HR and payroll software to make work and money flow. By digitizing business processes and relationships with customers, suppliers, employees, banks and governments, our digital network connects SMBs, removing friction and delivering insights. Knocking down barriers also means we use our time, technology and experience to tackle digital inequality, economic inequality and the climate crisis.

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processes and technology across its offices throughout the country. The CAAS practice welcomed its first client in November 2019, just months before the start of the COVID-19 pandemic. Today, the CAAS practice can digitally transform the client's back office and provides a host of value-added services, including:

- ▶ CFO and controller services;
- ▶ Financial statement preparation and advisory services;
- ▶ Technology solution deployment;
- ▶ Accounts payable and accounts receivable services;
- ▶ Reconciliations (e.g. bank, credit card); and,
- ▶ Sales tax filing and management.

Technology integration, automation

Having the right technology in place is essential in launching a successful CAS practice. This means implementing cloud-based solutions (i.e., having core accounting, payroll, tax and practice management software in the cloud); ensuring that solutions efficiently integrate and communicate with each other; reaping the benefits of automation; and prioritizing tools that facilitate proactive, forward-looking advice.

"Technology is a key component of CAS services. In fact, the assessment of financial technology, implementation and maintenance are CAS services we provide," said Javier Goldin, managing partner at Goldin Group CPAs in Bethesda, Maryland. "Technology is oftentimes the base over which all other CAS services sit. For example, we rely on technology to produce customized

dashboards, provide financial forecasting, and key KPIs. Our ability to standardize the type of service, and deliver the service on a consistent basis, is due greatly to the reliance and programming of technology."

According to the most recent CPA.com and AICPA PCPS Client Advisory Services Benchmark Survey, technology solutions used by top-performing firms to deliver or enhance CAS services (on top of a central accounting program, naturally) include:

- ▶ Workflow tools to track and route engagements (87%);
- ▶ Dashboards and alerts (78%);
- ▶ Budgeting and forecasting software (48%);
- ▶ Artificial intelligence (30%);
- ▶ Data analytics (26%); and,
- ▶ Robotic process automation (22%).

The survey noted that, "Adoption of these applications [AI and RPA] will grow steadily over the next few years because both AI and RPA are capacity-building tools. A more automated practice can serve the same number of clients with fewer touches from the team, allowing the firm to grow the practice despite a tight labor market."

Furthermore, the research found that an overwhelming majority of survey participants (72% of top performers) are steering clients toward a select few GL programs (no more than three). Why? When work is systematized, enabling team members to work with multiple clients seamlessly, using consistent processes throughout, the CAS practice has a greater chance of flourishing.

In fact, according to the survey, the tangible benefits

Spotlight on

Bill.com



Jane Willis
Vice president of
marketing, Accountant
Segment

Why should accounting firms consider starting a CAS practice?

The accounting business model has undergone a fundamental shift, with CAS transforming accountants into trusted advisors who provide clients with real-time financial advice deeply rooted in data. Developing a strong CAS practice is not just important — it's critical for accounting leaders who want to remain relevant, profitable and competitive. The right tools and technology will help accountants build stronger and more effective processes while strengthening relationships with clients.

How are you helping firms offer CAS?

Developing a strong CAS practice is a journey reliant on real-time data and systems that automate manual work and aid in standardizing time-consuming processes. Bill.com's automation, tracking, mobility, and transparency replace manual data entry, saving firms up to 50% of the time normally spent on AP — and solving a pain point for the firm's clients. AI and integration help reduce errors, late payments, and double payments.

Bill.com is a leading provider of cloud-based software that simplifies, digitizes and automates complex, back-office financial operations for small and mid-sized businesses. Customers use the Bill.com platform to manage end-to-end financial workflows and to process payments. The Bill.com AI-enabled financial software platform creates connections between businesses and their suppliers and clients. It helps manage cash inflows and outflows. The company partners with several of the largest U.S. financial institutions, including the majority of the top 100 U.S. accounting firms, and popular accounting software providers. Bill.com has offices in Palo Alto, California, and Houston, Texas. For more information, visit www.bill.com.

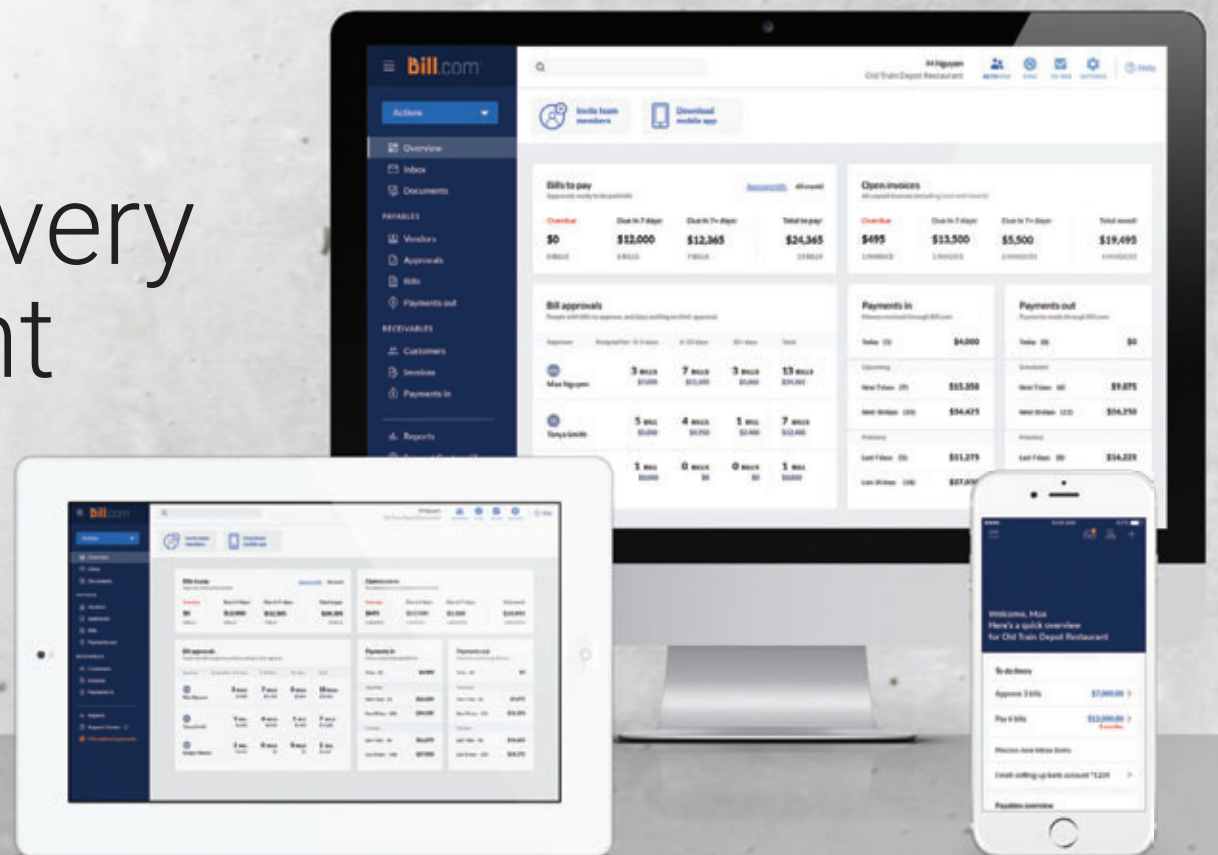


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of reducing the number of GL programs supported are that it:

- ▶ Simplifies training for CAS practice staff;
- ▶ Streamlines client onboarding;
- ▶ Allows for the standardization of process;
- ▶ Facilitates management of multiple clients; and,
- ▶ Supports the development of custom automations to speed transaction posting and custom reporting creation.

While the specific technology solutions used by a CAS practice often vary to some degree depending on the niche markets served and the specific services provided, what is critical to success is developing a standardized, cloud-based technology stack with strong integration capabilities.

"No single technology would possibly meet all the needs of all sorts of niches, industries, sizes of clients, and all of that," said Hitendra Patil, head of customer success for AccountantsWorld. "So, invariably, in a CAS environment you might have a technology stack of seven, eight, 10, or 15 different solutions, and you want them to be as integrated as possible so that you're not recreating the data that was already existing in some other systems."

Added Patil, "If you do that, then your technology piece falls in its place and you're spending more time on generating insights from the information that you're processing."

When asked about the importance of having the right tech solutions in place, Ruesch of Bill.com said, "The right technology can make the difference between a firm being able to efficiently deliver high-value, real-time advice and services from one that struggles. What you need depends greatly on the services you offer and the clients you serve."

She continued, "As a base, firms should have a cloud-based tech stack that integrates together to simplify data entry, remove bottlenecks, and get rid of manual processes. If you are focusing on client niches or verticals, review your systems against the best-in-class options for that vertical, as well. A good technology stack will do a lot of the streamlining and standardization work for you, when set up correctly."

Deneen Dias, vice president of growth and strategic relationships at Botkeeper, agreed that standardization, and having clients migrate to the firm's tech stack (rather than using whatever technology the client uses), is key. Botkeeper is an AI-human hybrid bookkeeping and accounting solution for accounting firms.

"It is having the firm have confidence to say [to the client], 'Trust us, we know what's best for you because we've spent a ton of time figuring this out. We know that you don't have time to figure it out. Not only do you not have time to figure it out, you don't know how to implement it, but we do because we've got talent in the firm that understands how to implement and integrate the technology. So, let us do that so we can service you and

take over your pain, but in a way that is going to be better,'" said Dias. "Firms struggle with that, but the firms that are really good at that ... are profitable faster in this CAS space."

Jenni Huotari, partner-in-charge of business outsourcing and strategy at Top 100 Firm Eide Bailly in Fargo, North Dakota, said that the firm launched its CAS practice more than five years ago — taking a historic write-up practice and gradually transitioning it into a cloud-based, modern CAS practice.

Today, the firm's CAS practice provides a variety of services ranging from basic bookkeeping up through advisory-level services (ongoing or interim). Furthermore, it has been emphasizing its growth in a handful of niches, including dental and medical practices, nonprofit organizations, and contractors. The firm has also seen significant growth in service companies and manufacturing/distribution companies.

With regard to technology, Huotari said, "We have a pretty consistent technology stack that we've used for several years now. New technology that we are looking at generally helps us to either automate lower-value tasks or expand our advisory services. We have a growing relationship with Botkeeper to help automate significant client tasks and help us solve capacity issues. We consistently use Bill.com for client bill pay services. And we've liked Fathom for data visualization, trends, and forecasting financial data."

John Yeager, managing director of Bennett Thrasher's outsourced accounting practice, said the Atlanta-based Top 100 Firm has two platforms in place — QuickBooks Online and Sage Intacct — to serve clients depending on their size and business needs.

"I feel that I'm happy supporting two platforms — QBO and Sage Intacct. I think to try to support more than that kind of spreads you very thin, and you become pretty good at everything but not great at everything," Yeager said. "So, we've selected those two platforms ... as kind of our core GL platforms."

On the Sage Intacct side, the firm uses a core tech stack that includes an AP, workflow and document management tool, as well as expense management. For those clients with more complex business needs, the firm also has an enterprise FP&A solution it can leverage.

On the QBO side, Yeager said one of his goals for 2022 is to develop a more standardized tech stack. "Obviously, QBO is our GL package and we've kind of used a variety of reporting tools and expense tools. We've kind of gone with what the client has and my view is I'd like to have a standard tech stack," he said, ideally including a QuickBooks consolidation tool, a reporting tool, and an FP&A solution.

"My view is to just figure out what your core tech stack is. Try to keep it simple. Try to get all of the core aspects covered and try to come to your clients with that solution

Spotlight on

Jirav



Mike Trianto
Head of partnerships

Why should accounting firms consider starting a CAS practice?

According to a CPA.com benchmarking study, firms that offer CAS see a 20% median net client fee growth rate. That's because CAS allows firms to go beyond traditional services to offering FP&A and advisory to clients all year. This strengthens client relationships and creates a steady, less seasonal business. In addition to accelerating growth, firms that offer CAS increase profit margins (47% vs. 34%), gain a competitive edge, and create better career paths for personnel.

How are you helping firms offer CAS?

Being successful requires an understanding of how to productize, market, sell and deliver your CAS offering. Jirav, as an example, is an FP&A solution that leverages technology, integrations, prebuilt templates, and reports to automate or speed up deliverables that are traditionally fulfilled by fractional CFOs via spreadsheets. Technology offers scale and margin, but the critical step to success is in how a firm brings CAS to market. Jirav and CPA.com partnered to go beyond the technology and provide the expertise, playbooks and insights for firms to succeed.

Jirav is a modern FP&A solution purpose-built for accounting firms. Leveraging integrations with GL and payroll systems, templated reports and driver-based models, FP&A can be delivered faster, more accurately, and without the staffing requirements of the traditional approach to FP&A. The Jirav goal is to expedite the firm's journey to offering scalable, world-class advisory services driving growth and competitive advantage. We partner with CPA.com and work with over 1,500 accounting and growth companies. This allows us to offer both the technology and strategic insights for building a successful FP&A practice. For more information, visit www.Jirav.com.





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and drive those discussions. If you want to be efficient, and you want your staff to be efficient, and be able to provide value for the cost you're working on, then you've got to be efficient with your technology stack," Yeager said.

Efficient processes, engaged staff

Another critical factor in developing a CAS practice is to create efficient processes, and to ensure that the firm's staff is on board and has a clear understanding of the value of CAS and the benefits to be gained by both them and their clients.

"The creation of efficient processes is most certainly a key component of a CAS practice. It is important to note that this is a constant work in progress where technology plays a role, [along with] the level of complexity, the staff available to deliver, and feedback from clients," said Goldin, who noted that his firm has identified five steps when developing and training for a CAS curriculum. They are:

- ▶ Identify service offering;
- ▶ Identify the employee profile/skills required for provision of the service;
- ▶ Develop the company HR structure to accommodate the positions required;
- ▶ Develop the training approach; and,
- ▶ Tweak as needed.

When CAS practice leaders were asked to share which investments they made to develop or build their CAS practice, the CPA.com and AICPA PCPS Client Advisory

Services Benchmark Survey found the leading responses among top-performing firms to be:

- ▶ Attended vendor training or certification programs (84%);
- ▶ Attended vendor conferences (76%);
- ▶ Attended a CPA.com CAS workshop (68%);
- ▶ Invested in outside learning opportunities for staff (60%);
- ▶ Invested in the creation of a marketing plan (52%);
- ▶ Attended a Digital CPA conference (52%); and,
- ▶ Developed an internal CAS training program (48%).

Said Patil of AccountantsWorld, "I think the essential function of CAS is not just producing multiple services but, ultimately, what does the client do with that information that you deliver from those services. You always start with the end in mind for that. For example, you can start noting down which are the most common questions your clients are currently asking you based on the information you are providing them, or that they should be asking you as an accountant. ... So, make a list of those questions because those are the ones ultimately leading to your processes."

Cumley of Sage Intacct said an efficient process begins with a solid, written business plan.

"Having that business plan in place that has your vision, your mission, your overall strategy, and then breaking it down into the various components that drive the overall business model from front to finish. [This includes] ... making sure that you've got the right internal systems in order to be able to manage not only the

Spotlight on

CPA.com



Kalil Merhib
Vice president of growth and client services

Why should accounting firms consider starting a CAS practice?

There is a heightened demand for client advisory services ranging from outsourced business processes (the "virtual back office") to virtual CFO and controller services to business financing and spend management. Now more than ever, businesses are looking to their accountants to provide next-level advisory services and business insights. Firms who level up their CAS offerings to meet the expectations will be able to deliver deeper client value and gain a competitive advantage in the market.

How are you helping firms offer CAS?

To support firms in delivering deeper client value through CAS offerings, CPA.com offers a host of learning opportunities and tools, as well as access to leading technology solutions for financial management, financial planning & analysis, bill pay services, expense & spend management and business financing. Additionally, our CAS 2.0 framework offers firms a holistic approach to delivering next-level advisory services by focusing on four key pillars.

CPA.com brings innovative solutions to the accounting profession, either in partnership with leading providers or directly through its own development. The company has established itself as a thought leader on emerging technologies and as the trusted business advisor to practitioners in the United States, with a growing global focus.

Our company's core mission is to drive the transformation of practice areas, advance the technology ecosystem for the profession, and lead technology research and innovation efforts for practitioners.

A subsidiary of the American Institute of CPAs, the company is also part of the Association of International Certified Professional Accountants, the world's most influential organization representing the profession. For more information, visit CPA.com.



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marketing activity but also the results from marketing, meaning the leads and the opportunities that come in. Making sure that folks are properly trained to be able to handle the business development, or the sales side, so they're having the right conversations in the right way with prospective clients that are oriented around value," he said.

As mentioned above, when developing a CAS practice, it is essential not to underestimate the importance of clear, consistent messaging to internal staff and stakeholders on the value of the new practice. CAS leaders must create their value proposition and regularly communicate it to stakeholders and staff to ensure that everyone is on board.

In fact, the Benchmark Survey found that 46% of top-performing firms reported a major barrier to success was internal firm team members who don't understand the value of CAS, equate it with lower-value bookkeeping, or push back on the CAS business model.

Price properly, find the ideal clients

When launching a CAS practice, pricing will obviously need to be carefully thought out. Most industry sources agree that shifting away from hourly billing and adopting a value pricing model benefits both accountants and their clients.

"Because [CAS] is ongoing, it lends itself very well to a recurring subscription model for pricing these engagements. We see the highest-performing CAS practices are leveraging a value price and, at times, it's even dynamic pricing in terms of what that price is, depending on supply and demand. Also, because it is recurring, some sort of subscription model that works toward a lifetime value of client mentality by the firm," said CPA.com's Merhib. "The other thing I think that is key to pricing is making sure that you account for additional asks, or additional opportunities for other services, that are going to come along as a result of offering a CAS service. We actually see that CAS, the accounting services, is really a foundation and a springboard to serve up and introduce other advisory services as a natural part of the business conversation."

David Miller, a consulting partner at Armanino in El Segundo, California, said the Top 100 Firm has embraced a value pricing, tiered approach. The firm refers to its tiers as Essential, Enhanced and Ultimate; however, clients can opt for a customized, hybrid tier if they desire. It should be noted that Armanino refers to its CAS services as outsourcing, which includes accounting outsourcing, human resources outsourcing, and strategic finance outsourcing, to name a few. Miller noted that accounting outsourcing is undoubtedly the bread and butter of its outsourcing solutions.

"Part of that [value pricing] methodology for us is making sure that when we present the pricing we present

options. ... It's really important that we provide the client with options," said Miller. "The other thing that we do in our proposal process ... is we separate the proposal process from the engagement letter. We have an introduction with the client or a prospect. We have a scoping and discovery call and we learn about what the pain points are, and make sure we understand what their business is about, make sure we understand what's important to them. And then we come back to them with a proposal, and that proposal will always have sort of three options to it. ... It stimulates more conversation."

Dixie McCurley, principal for digital advisory and CAS leader at Cherry Bekaert in Atlanta, said the Top 100 Firm's CAS services, which launched in November 2021, comprise two offerings: better bookkeeping, and outsourced accounting and finance departments.

To price its CAS services, McCurley said that the firm created a menu of options for standard pricing and then custom pricing for different clients' needs.

"We have a CAS life cycle from assessment, to implementation, to onboarding, to recurring monthly services, all as different phases of the CAS life cycle," explained McCurley. "We qualify clients based on their budget, their willingness to change, our integration into their team, using our standard operating procedures, and having a growth mindset with Cherry Bekaert as an MVP on their team."

When determining if a prospective client is an ideal fit for its CAS services, Jodie Heal, president of South Thomaston, Maine-based Heal Accounting, said, "We're always looking at how clients are making their buying decisions. When we meet with clients, we talk to them about their needs and what they're looking for, but if we have clients that are very price-sensitive and they want to know, 'How many hours are you going to spend a month on our file?' — those are probably not the best clients to take on in a CAS practice. Part of the reason that a CAS practice works is because it shouldn't matter how long it takes us to complete something — we are billing our expertise and the completion of work."

Clearly, there are a lot of factors to consider when launching a CAS practice and, for some, it can seem daunting. The good news is that there are numerous resources and best practices available.

Said Nina Chmura, partner and market leader of outsourced accounting systems and services, or OASyS, in the East Brunswick, N.J., office of Top 100 Firm Withum, "The client accounting services world seems to be quite collaborative, as do most accountants. ... If you are embarking upon this, find some friendly firms that are willing to talk through the process with you and that you can learn things together. I also think making sure that you learn from every mistake that you make is key. ... And I think surrounding yourself with great team members is super important." **AT**

Spotlight on

Corpay One



Bob Lewis
Senior vice president,
Accountant Channel
Development

Why should accounting firms consider starting a CAS practice?

One word ... opportunity! CAS is the fastest growing practice area nationally.

1. Recurring revenue: Increase profits and improve cash flow outside of busy season.

2. Relationships matter: Deliver regular business value, increase client retention and decrease fee sensitivity.

3. Attract new clients: Many small businesses struggle to stay on top of their accounting, have trouble hiring and need to outsource more than ever.

The core of the CAS practice is delivering outsourced bill payment services ... so start there!

How are you helping firms offer CAS?

Corpay One helps accountants launch and/or scale their CAS practices. We have dedicated teams to help accountants in the full lifecycle of their relationship with Corpay One who know the CAS business and have real experience working in or with accounting firms. Further, we are experts in our solutions and help accounts find more efficiencies in the way they manage their processes. Are you ready to accelerate your growth?

Corpay One is an all-in-one, automated bill pay platform specifically designed for accounting firms seeking to make their bill pay services more profitable and less time-consuming. Our platform empowers accountants to automate document and data capture, have smarter approvals and custom workflows, manage vendor payments, simplify expense reimbursements and with a smart credit card (the Corpay Mastercard!), capture all client spending. And the best part, with our modern business model, we can offer all of these services with no software fees and free ACH and check payments. Corpay One is user-friendly, designed to save both the client and firm time and money and help both focus on what counts. Our dedicated accountant team is here to help every step of the way. Get the smarter way to pay today — for free!

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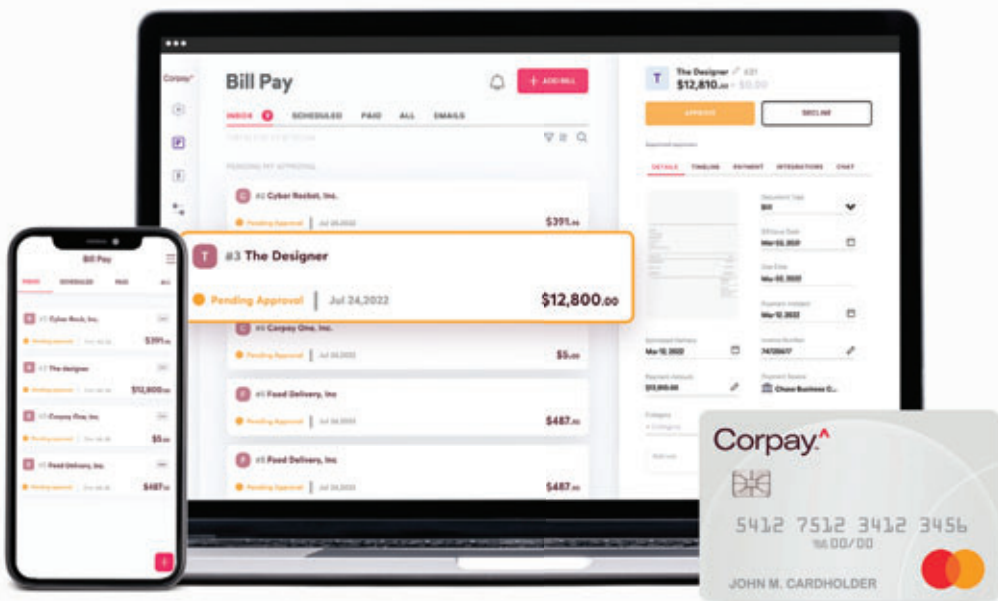
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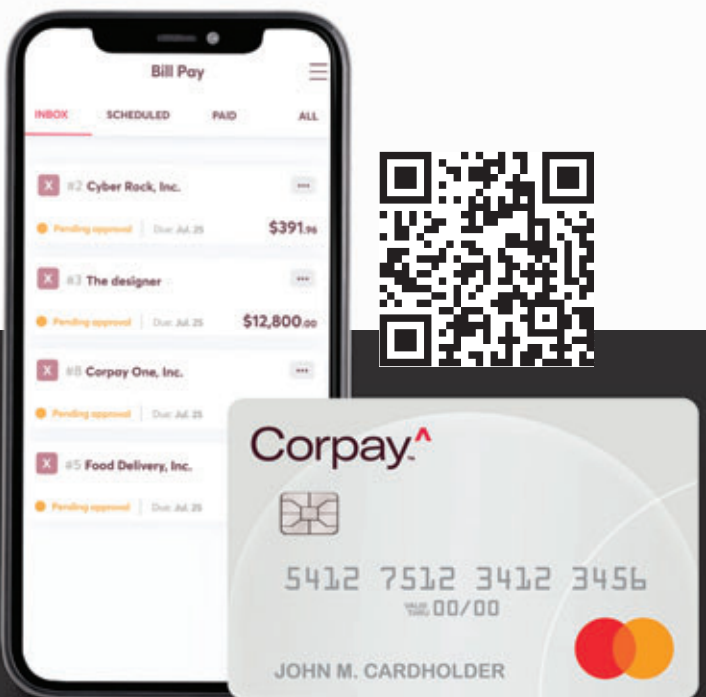
Corpay One offers a complete spend management platform that integrates a smart corporate card into effortless bill pay - designed for accountants who provide outsourced bookkeeping services.

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² Time, errors and costs saved is an estimate based on industry standards for accounts payable automation. Savings vary according to users and usage.