



# **How women can confidently and successfully build an advisory practice**

WHITE PAPER

## Introduction

Building a successful advisory practice is all about amplifying your strengths, drawing from your experiences, and deepening your relationship with clients — and women are in a unique position to embrace this lucrative opportunity.

However, while more and more female CPAs are extending their practices beyond traditional tax compliance, recent survey results suggest that some are not confident in their ability to pivot from compliance-based work, despite having the same knowledge and experience as their male counterparts.

But you know you already deliver great compliance service — and you know an advisory focus will allow you to deliver even better service to your clients — so you just need to get started by exploring practical tips and best practices from other female firm leaders who have made the profitable shift. It's a powerful decision that not only boosts your bottom line but also increases your responsiveness to your clients' needs.



## Women in today’s accounting profession

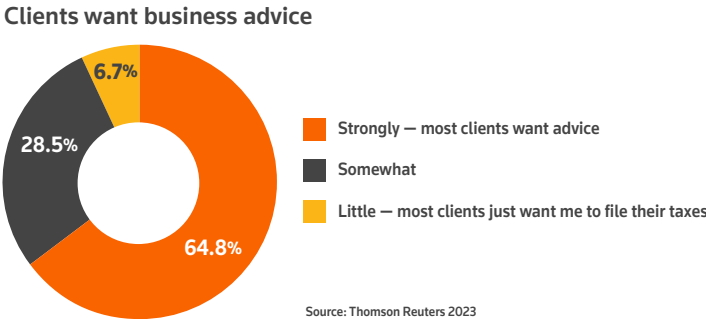
In 2022, women made up almost 60% of accountants and auditors in the United States, an increase of just over 3% compared to the previous year. Women have, therefore, made up the [majority of accountants and auditors](#) in the United States between 2020 and 2022. In terms of gender mix and percentage of female partners, there continues to be an [upward trend across firms of all sizes](#), as well as a steady increase in the number of women in leadership positions. Overall, the staff mix of 54% female and 46% male still remains distant from the 21% female partners in all size firms. The greatest growth in female partners is 39%, which is found in firms generating between \$2 million and \$5 million annually.



According to the [2023 Accounting Move Project](#), advisory services are organically aligned for women’s advancement as they enable flexible scheduling, work-life blend, and inspiring business development opportunities.

“Women are perfectly positioned to chart new ways to win new types of business, because they take encouragement and direction from incremental wins,” said Joanne Cleaver, President of Wilson-Taylor Associates, the content strategy firm that manages the Accounting MOVE Project, in a press statement. “In an unpredictable business environment, firms can rely on the deep loyalty that many women earn with ongoing clients, and that create footholds for new practices.”

And it’s clear that clients want more business advice from their tax professionals. According to the Thomson Reuters® [2023 State of the Tax Professionals Report](#), more than 93% of those surveyed replied that their clients are now looking for some form of advisory services, and close to 65% said this desire was “strong.”



While large accounting firms have been expanding the range of services they provide, more and more midsize and even small firms are finding ways to provide individualized tax strategies, better client relations, and more personalized service overall.

As for what sort of business advice clients are seeking, 91% said tax strategy was the service clients requested most, followed by business consulting (73%), financial planning (63%), decision-making support (46%), and HR/organizational issues (30%).

Given that women comprise such a significant percentage of the profession, it's time to fully understand the shift to advisory and the vital role women play in these higher-value, higher-margin services.

## Unlocking the power of advisory

In the face of increased client demands, a complex regulatory and legislative landscape, and the commoditization of tax preparation, the days of rearview mirror accounting are swiftly falling by the wayside. Clients today want an accounting professional who will provide them with proactive advice.

"Compliance, while really important, is becoming increasingly commoditized in today's world because of technology. It is constantly evolving and it's making it easier for people to take that on themselves, but advisory services help a firm stay relevant in this changing landscape. I think it gives the firm the ability to add a lot of value to their clients," said Mucki Sobania, Senior Solutions Consultant, Tax and Accounting for Thomson Reuters.

"Additionally, client demographics are changing. There's an increased desire for strategic advice. Clients are looking for proactive service from a trusted advisor versus that more transactional, look-in-the-rearview-mirror tax return."

According to the [CAS Benchmark Survey](#) from the AICPA, PCPS, and CPA.com, practices that offer client advisory services reported a 16% median growth rate in 2022, which continues a double-digit growth trend that began in 2017.

Providing advisory services enables firms to strengthen client relationships while increasing revenues. By investing in technology to automate tax compliance work — and assisting in identifying advisory opportunities — firms are shifting how their resources are utilized and prioritizing the advisory services their clients need most.

"I have seen firms increase revenues by hundreds of thousands within a year through advisory services while reducing their book of business," said Pamela Butler, Senior Business Advisory Consultant with Tax and Accounting Professional Services for Thomson Reuters. "They are working with the clients that want to learn, understand the value of working with a professional, and are willing to invest in their business."

"Utilizing tools to streamline the gathering, sorting, filtering, and reporting on data to uncover advisory opportunities has been a challenge. Technology is providing a path for easing this pain point. We have a long way to go, but strides for improvement are happening."

Providing clients favorable advisory services undoubtedly presents significant growth opportunities for women within the profession, and those who have made the shift are reaping the benefits.

Take, for example, Sandy Heit, owner of ModernCPAs, who was featured in the Thomson Reuters [“Spotlighting Women in Advisory Practice”](#) blog series. After purchasing a content and consulting solution, Heit discovered that many of the services she offered could be more strategic and monetized, and that shift in business model “completely transformed her practice.”

“The program had a formula for how to deliver advisory services, provided customizable content to deliver to clients, and provided the ability to articulate the value we are providing,” said Heit, adding that before long she was requiring all new clients to start with an advisory services package.

It is important to note, however, that change isn’t easy. And some people may feel more trepidation toward change than others.

If you’re among those who feel unsure about pivoting from compliance-based work to more strategic business advisory services, take comfort in knowing that you’re not alone, and there are some best practices to help you prove successful.

## Best practices for women building an advisory practice

“Don’t be intimidated by what you don’t know. That can be your greatest strength and ensure that you do things differently from everyone else.”

— Sara Blakely, Founder of Spanx

Change is not easy. That’s why, for some professionals, transforming their business model to advisory can be scary. The reality is that a growing number of women in the profession are breaking through and seeing the rewards.

One such example is [Alicia Shaul of Shaul & Associates PLC](#), who was featured in the “Spotlighting Women in Advisory Practice” blog series. Shaul said she grew tired of the overwhelming workload during the tax season and decided to move her practice away from a compliance-focused shop. But Shaul admitted that moving to an advisory practice was “a big leap of faith.”

If you’re in need of a confidence boost to kickstart on your advisory journey, here are seven best practices from women who’ve been there.





## 1. Identify your clients' needs

Think about the common pain points your clients have. What do you hear yourself saying repeatedly? What questions do you answer multiple times for your customers? What are the common “misses” your clients experience?

According to Butler, don't look for the hardest, most unique situations to resolve — focus on helping the masses in a duplicatable way. This allows you to create standardization in terms of resolving client issues.

“When you can use these standardized tools numerous times and get compensated for doing it, this creates the win-win scenarios we get to feel good about because we are making a difference for our clients,” said Butler. “There are so many opportunities to help business owners outside of compliance work. You just need to take the time to have the relationship that fosters the advisory model.”

Taking this approach helped Erin Heath, owner of Erin R. Heath, CPA, find success. Heath, who was [featured in the blog series](#) as well, said that before she shifted to an advisory practice, she “hadn't really sat down and [looked] at my client base because I was so busy.” Once she did, her initial thought was that her clients were all farm and ranch businesses — but upon closer inspection, she also saw that government entities and non-profit agencies were also part of her business.

In her move to advisory, Heath strived to make sure she understood clients' needs and what services she should offer.

Another example is Brittany Lanphier of Lanphier LLP. Lanphier, who was also [featured in the blog series](#), said that having a model that has standardized and streamlined their processes has given the firm the resources to efficiently deliver the kind of advisory services needed. Today, her ideal client is a relatively small and owner-manager business with fewer than 100 employees that doesn't have a CFO.

“It's really been about taking the more basic principles that impact everyone who's in business, basically, and creating a process and a system by which we just deliver that consistently to them,” Lanphier said.



## 2. Be committed and transparent

If you're a sole practitioner, be committed to change. If you have staff, ensure that they buy into and support the shift to advisory. It is important to then keep the lines of communication open and be transparent with both staff and clients.

“I have had firms tell me they can 'feel' the difference between working with a client that has been onboarded into the firm with advisory services and maintenance packages versus a client that has been with the firm prior to implementing an advisory model,” Butler said, adding that this contributes to transparency in relationships. Such transparency can also look like upfront pricing, clear and concise scope of services, expectation settings in advance, exchange of knowledge and information, and a working relationship toward common goals.

Echoing the sentiment, Shaul said, “Effective advisory services really come down to communication and confidence. Clients will not buy into those services unless I have.”



### 3. Focus on your strengths

Focus on what you know and what you're good at. Ask yourself: what do you do well? Do you have knowledge within a specific area that you haven't leveraged yet?

"I would encourage women who are thinking of adding advisory services to start by thinking about how they provide the most value to their client base. ... Not to get hung up on, 'I don't know absolutely everything about everything.' Or I need to have these specific new services," said Sobania. "Don't focus on what you don't know. Focus on what you're good at because you're likely offering a lot of advisory services already, but just for free. So, [it's] thinking about utilizing that knowledge and expertise and turning it into an engagement for your client."



### 4. Automate compliance work

Tax compliance processes are uniquely positioned to be automated as they are made up of a network of patterns like standardized forms and prior year data. Data entry can even be reduced or eliminated entirely by way of scan-and-populate tax software and the ability to auto-verify OCR source document data.

By incorporating tax software that utilizes AI and machine learning, your firm can automatically detect discrepancies, provide an audit trail, and even identify tax saving opportunities and business insights for your clients. All the time you save can be redirected towards building a strategic business plan and deepening those all-important client relationships.



### 5. Leverage scalable resources

Don't overlook the importance of having the proper tools and resources in providing successful advisory services. Implementing a content and consulting solution enables your firm to build a scalable advisory services model and standardize processes.

When looking for the right tools, resources, and coaching, consider a comprehensive solution that delivers the following:

- Industry-relevant content and tools, including videos, proposal and email templates, pricing calculators, Microsoft® PowerPoint presentations, checklists, and more
- One-on-one coaching sessions with a dedicated business consultant
- Access for all your staff to a comprehensive online learning plan to enhance the implementation
- Ongoing coaching and collaboration with your peers
- Access to CPE-qualified, advisory-focused webinars
- An online collaboration tool for member communications and means for connecting with other members easily
- A calendar of in-person and virtual events throughout the year to keep you actively focused on your advisory journey
- The ability to ascertain additional one-to-one coaching if needed to further your success



## 6. Shift to value-based pricing

When shifting your practice to an advisory-based model, it is important to fully understand the value of your services and to price them accordingly. If your firm still bills by the hour, it is time to consider moving to a value-based pricing structure.

“I’m a huge proponent and I think it makes the most sense to do value billing ... especially when you are thinking about creating that advisory relationship and making sure that, number one, you are being compensated for your expertise and, number two, your client knows exactly what they are getting from you,” Sobania said.

In the Thomson Reuters [2023 State of the Tax Professionals Report](#), many firms indicated that they were planning to expand the range of pricing options available to clients in the coming year. Across the board, there is a clear trend toward introducing a wider variety of pricing options to meet client demand.



## 7. Be selective

When providing advisory services, it is important to recognize that some clients, whether existing or prospective, may not be a good fit for your firm. In other words, be selective.

“Being selective truly is the first step in implementing an advisory model,” said Butler. “Working with the right clients increases productivity, staff morale, quality of service, feeling appreciated, and gratification in doing something good.”

Butler added that reducing your book of business provides the vehicle to open the door for deepening client relationships because you won’t be overwhelmed with juggling multiple clients.

“You are afforded the opportunity to work with clients you enjoy while doing more of the work that feeds your why.”





## Tips for attracting — and retaining — top talent

Today's job seekers are looking for independence, opportunities for growth, and a sense of purpose in their work.

As you build your advisory practice, attracting and retaining top talent is key. Here's how to do it — even amidst a challenging labor market.



### 1. Understand employee motivations

With an emphasis on meaningful contributions and flexible work arrangements, an advisory services model in and of itself becomes a magnet for talent. By leveraging technology and endorsing remote work, firms can attract and retain top-tier professionals even in a competitive market.

Providing your staff with autonomy fosters loyalty, trust, and increased productivity. Further, by automating tax processes, you can not only bridge talent gaps but also enable staff to shift their time to lucrative advisory roles. This sought-after guidance helps clients while empowering your staff to leverage their expertise effectively.



### 2. Expand your talent pool

A pivotal shift for firms is broadening their hiring criteria beyond the 3 to 5-year experience bracket. Embrace interns, recent graduates, individuals from diverse academic backgrounds, and part-time professionals. Consider recent graduates proficient in data analytics or STEM disciplines which align well with tech-savvy firms.

By providing essential training and covering educational expenses for certifications, smaller firms can amplify their candidate reach. This approach also underscores a commitment to nurturing talent at every career stage.



### 3. Showcase your unique value proposition

A shift from being a compliance-focused firm to one encompassing varied advisory skills — spanning business development, data analytics, technology, and strategic planning — reflects a wider evolution in accounting, and it should be promoted to both prospective clients and potential new hires.

Embracing technology and fostering collaborative management practices can give your firm the upper hand in talent acquisition. Prioritizing hands-on training, educational support, community engagement, and cultural initiatives can tip the scales in your favor. Offer younger professionals avenues to specialize, engage directly with clients, and contribute meaningfully to business growth. This can truly set your firm apart in the battle for top talent.

With a more engaged staff, you can shift your engagement strategy for new clients based on the value your firm brings to their business. New client services can be geared toward identifying end goals, setting the path toward those goals, and guiding your clients down each step of that path.

Technology can also help you analyze trends and support your clients with the insight that helps their businesses grow and thrive. And because you and your staff will gain a deep understanding of the expertise your customers really need, your firm will be empowered to identify additional opportunities that further strengthen these relationships and boost revenue.

When you make the move to advisory services, you can be more selective of the clients you serve, and your referrals will more accurately set expectations for your future clients. In the end, you'll be seen as a strategic partner versus a compliance processor — and that's a powerful combination that engages staff, strengthens client relationships, and boosts your bottom line.

## Are you ready to make the shift to advisory?

Advisory services are one of the most important growth opportunities for today's firms — and women practitioners who are embracing these higher-value services are realizing significant benefits both in terms of job satisfaction and quality of life.

For more insight and personal stories from women who've built successful advisory practices, check out our [Spotlighting Women in Advisory Practice](#) blog series.

[Read more](#)

When you're ready to make the shift to advisory services, [Practice Forward](#) offers proven methodology, guidance, and content solutions that accounting firms like yours need to develop and implement an approach to engaging clients.

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