

The Highly Automated Firm

What it looks like in practice —
and how to achieve it with AI



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The Highly Automated Firm

What it looks like in practice – and how to achieve it with AI

Accounting firms are ripe for automation. They're brimming with the types of repetitive, routine tasks that automation tools are specifically designed to tackle, reinforcing and accelerating the firm's processes.

Just as important, firms are also swimming in data – in all kinds of formats, from sources ranging from paper to email, software applications, and more. Today's artificial intelligence (AI) tools are adept at ingesting this data, learning from it, and improving the firm's ability to understand and act on the resulting insights.

When they combine automation and AI tools, the resulting increases in productivity and insight can be game-changing for firms. But in practice today, firms still tend to have highly manual processes in place to support these processes and data flows, requiring resources and time that are in short supply. Why? For starters, many of these tools have matured so quickly that firms have found it difficult to keep

up. Some have adopted select AI tools that come built into their existing software packages. Others have applied AI capabilities more aggressively – but only in isolated parts of their businesses. And many more are simply waiting to see more evidence of AI's successful application by their peers before embarking on their own AI-enabled automation journeys.

The time for taking a "wait-and-see" approach to automation and AI adoption is over. Today's highly automated firms are achieving new levels of efficiency and significantly expanding their revenue margins. And they're doing it by adopting a range of automation tools and processes, along with AI capabilities, to streamline and standardize their workflows. What does accounting firm automation look like in practice – and what steps can your firm take today to become a highly automated firm? Those are the questions we will answer in this article.

What it takes to achieve accounting firm automation with AI

Firms that have implemented financial operations automation, especially working with AI capabilities, have gained advantages that remain out of reach from their less-automated peers. From accounts payable and accounts receivable processes to accounting workflows and spend & expense management and more, their focus on process- and data-heavy aspects of their business is already beginning to pay off. They are more effective, can focus on more strategic advisory-level insights for clients, and are more profitable as a result. Here are the key elements that set them apart.

Proactive, ongoing adoption of AI tools and capabilities

In much the same way that firms quickly embraced cloud-based solutions after some initial reluctance, highly automated firms have accelerated and expanded their use of AI in accounting. As a result, their teams are able to spend significantly less time on routine, manual, lower-value tasks without sacrificing service quality. Instead, they are delivering a higher level of service – and they're improving revenue margins and client relationships along the way. While the potential applications of AI are far-reaching (and constantly growing), many highly automated firms are focusing on these three areas first:

Workflow powered by AI and automation

Firms are investing in tools that accelerate common tasks: bank reconciliations, transaction coding, month-end close and reporting. These types of gains allow firms to reallocate capacity toward higher-value activities like advisory and analytics.

Generative AI for research and decision support

Large Language Model (LLM)-powered tools are transforming how firms handle knowledge work. From surfacing precedent-based tax advice to summarizing complex legislation, purpose-built systems act as research accelerators. When paired with human judgment, they reduce research time and can produce nuanced insights.

Agentic AI for autonomous task execution

Agentic AI refers to AI systems capable of acting with autonomy across multi-step workflows, enabled by AI “agents,” or bots, that are programmed to act in specific ways. Agents can help prepare returns, reconcile books, and generate variance analyses, for example.

Regardless of the application, human oversight remains a key requirement – especially in higher-stakes environments such as audit and tax. Expect AI-enabled systems to flag transactions, inviting accountants to act as reviewers. This model reduces risk and improves capacity while delivering critical transparency

Standardized technology at the core

Rather than making a host of small pilot investments in automation capabilities, highly automated firms invest in standardized technology at the core – foundational solutions that establish and support a common set of processes, shared by different teams and professionals across the firm. They know that a standardized technology stack allows for better integration, helps realize greater efficiency, reduces costs, and allows their professionals to focus on what matters most – serving clients. Because with fewer G/L systems to support, they are able to:

- ▶ Simplify training for CAS practice staff
- ▶ Streamline client onboarding
- ▶ Standardize processes more easily
- ▶ Manage multiple clients more effectively
- ▶ Develop custom automation tools to speed transaction posting and generate custom reports more easily

In the recent CPA.com and AICPA PCPS [Client Advisory Services Benchmark Survey](#), 88% of leaders at top-performing firms indicated that they limited the use of G/L accounting software programs to three or fewer.



Highly automated firms are also flexible enough to “plug in” additional best-in-class technologies as they are adopted, integrating them into the same shared framework. The result? Rather than having to manage a scattershot collection of technologies and processes siloed by function, firms benefit from consolidated, cross-function technologies and platforms built with best practices that have been adopted and tested by leading firms, contributing to significant improvements in efficiency and better cost management.

For example, Accounts Payable involves a large number of manual processes that are frequently repeated from client to client – making it a prime target for standardized processes, which can be streamlined and improved with automation capabilities. For all those reasons, AI in accounts payable is a common starting point for many highly automated firms. Financial operations automation, focusing on both AP and AR process improvements as well as spend & expense management, is widely viewed as a high-return area for AI investments. When AI tools

start uncovering duplicate invoices, identifying potentially missing bills not yet sent by vendors, collecting W-9 data, and automatically coding expenses (to name just a few examples), the resulting impact on workload, efficiency, and accuracy is measurable – and the accounting team can feel it.

Integrated processes that connect at the technology level

Many firms are plagued by inefficient task- and client-specific processes. While they may seem manageable individually, collectively they add up to countless hours of time. This has far-ranging implications for costs, service levels, work volumes, and, ultimately, client satisfaction. Highly automated firms, meanwhile, are obsessed with identifying and rooting out these types of inefficiencies, both large and small. And they frequently rely on technology solutions to do so, recognizing that superior solutions often come with industry-standard best practices built in.

That's where an automation-enabling technology stack running in the cloud can make all the difference. Because it's in the cloud, it can accept data and user interactions from a wide range of inputs. With processes that are already tightly integrated with the IT infrastructure, automation and AI tools can automatically handle tasks that would otherwise require manual workarounds. In practice, that can look like data that is automatically populated in standard, familiar forms, or automated "nudges" that encourage decision makers to act on new information received from a client.

These types of capabilities can be adopted incrementally based on the comfort level of the firm and expanded at whatever pace the firm desires. Until recently, the practical hurdles of combining core technologies, processes, and automation capabilities have been daunting for most firms. Today they are well within reach. In fact, the recent CAS Benchmark Survey conducted by CPA.com revealed that 87% of top-performing CAS practices are using automated accounting workflow tools to track and rate their engagements – 10% more than their peers. They are also using AI and robotic process automation tools at similarly high rates compared with peers.

"With less time spent on mundane, repetitive manual tasks, staff will have more time to focus on what matters most to clients — higher-order challenges requiring more insights and critical thinking from professionals."

People supported by technology (and not vice versa)

For many, the words "AI" and "automation" imply a hands-off future with minimal human intervention, but the reality is quite different. Highly automated firms know that they need to engage the insights, oversight, and guidance of humans at every step. Plus, without the support of firm professionals from the start, these advanced capabilities may never be properly embraced. This is a challenge across all technology adoptions, not just with automation and AI: Powerful technological capabilities are too often implemented without a strong change management plan and then never truly embraced by the professionals who can benefit from them.

Fortunately, automation and AI tools offer tangible reasons to support and actively enable their adoption. With less time spent on mundane, repetitive manual tasks, staff will have more time to focus on what matters most to clients – higher-order challenges requiring more insights and critical thinking from professionals.

Recruitment is another part of the business impacted by automation. For starters, highly automated firms are perceived by potential hires to be more technologically advanced, more innovative, and more desirable places to work. While this element of automation does not directly affect adoption and implementation, it should weigh into firms' decisions to pursue automation- and AI-driven technology strategies. With greater automation, firms also need to update and revise the types of skills they seek in recruiting. As manual processes are automated, firms have more capacity to deliver higher-value, advisory-level services – which requires skills that go beyond accounting.

The Automation Curve: The path toward becoming a highly automated firm

Becoming a highly automated firm is a process – one that can advance at a pace in line with firm goals and market conditions. The most important aspect of this process is starting with a clear strategy. Below are the three primary phases of successful automation strategies.

Plan

Highly automated firms set themselves apart through their commitment to planning for the impact of new technologies, starting well before selection, implementation, and adoption. Today, it is easy to activate new technologies of all types – especially AI tools. But without a clear plan for how they will fit into the broader technology ecosystem and resources in place at firms, their chances of success are diminished. When choosing a new technology, how will it integrate with other solutions? How easy or difficult will it be for data to flow throughout the resulting infrastructure? Does the firm have a plan for change management to ensure a smooth transition, adoption and proper resource allocation? Where does the firm fit on the AI maturity model, and what steps does it need to take to reach the next level? These are the types of questions that successful highly automated firms answer before “flipping the switch” on any new technology. It can take time and effort to answer these questions – but it’s worth it, given the impact on successful implementation and adoption.

► Phase 1:

- Map current services and processes and how they connect together
- Identify and prioritize opportunities for automation, as well as the accompanying requirements for technology and other resources
- Review key client list and strategies for potential fit with automation

► Phase 2:

- Set goals for automation
- Evaluate technologies
- Review current talent (technology focus) to determine recruitment/training needs

Level 1: Plan for a cloud-based future



Outline

List your service/current processes.

Goals/needs



Identify

Prioritize: What could/should be automated?

Solutions



Review

Client list and strategy: Do you understand their needs?

Staff/recruit/train

Pilot

Automation and AI solutions are designed to simplify and streamline time-consuming tasks and processes already in place within firms. This is a critical transition in terms of delivering services to clients in a steady, seamless fashion, without disruption – which is why the pilot phase is so important. In this phase, firms can closely monitor how well automation technology is handling the work that was previously performed manually. This way, firms can fine-tune the solution with minimal risk to ongoing operations – before making the full transition to a new solution.

Here are some of the key steps in the pilot phase of implementation.

- ▶ Start with a comprehensive project plan
- ▶ Identify test clients for new automated process
- ▶ Develop standardized processes
- ▶ Connect with stakeholders on your change management plan
- ▶ Launch new technologies with pilot clients and gather insights/data

One critical goal of the pilot phase is to identify where the automation solution should be customized to meet the individual needs of the firm. While these solutions come with best practices built in, AI and other automation tools are also highly customizable, allowing firms to create solutions that match their operational needs and unique processes, as well as to enable their own goals for the future. Be sure to identify these opportunities to inform the next stage of accounting firm automation.

Pivot

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Here are some of the areas where customization can have the biggest impact:

- ▶ Reporting
- ▶ Dashboards
- ▶ Internal controls
- ▶ Mobile applications

Automation and AI solutions are designed to simplify and streamline time-consuming tasks and processes already in place within firms.



Change is coming. Will your firm change on its terms?

Leaders at accounting firms don't have to look far for evidence of the changes that are coming their way. Their peers in corporate finance and accounting are already grappling with the constantly rising expectations of their internal clients, who have ready access to their own more powerful and sophisticated finance and accounting technologies and are questioning the value of large, traditional accounting and finance departments as a result. Technology will continue to be similarly disruptive for accounting firms, where client and employee expectations change daily with new tools and technologies at their disposal. They expect firms to be more nimble, more efficient, and more technologically savvy – and if firms don't fulfill these growing expectations, clients and talent will look elsewhere.

Meanwhile, firms need to find ways to operate more efficiently, as they rise to face new opportunities – and new market pressures. AI and other automation tools are here, whether on your terms or on those set by your competitors. The capabilities they introduce play a key role in helping firms achieve critical goals for increased efficiency, as well as to extract valuable insights from growing volumes of client data – and today, those capabilities are finally mature, proven, and ready for widespread adoption. It's an exciting moment for the profession – don't let it pass by your firm without taking full advantage of the opportunity.

To learn more about developing and implementing a smooth automation plan for your firm using AI, start by contacting a CPA.com strategic account manager. For more on how to automate your firm's financial operations platform, including accounts payable, accounts receivable, and spend & expense management, visit Bill.com at bill.com/for-accountants.

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