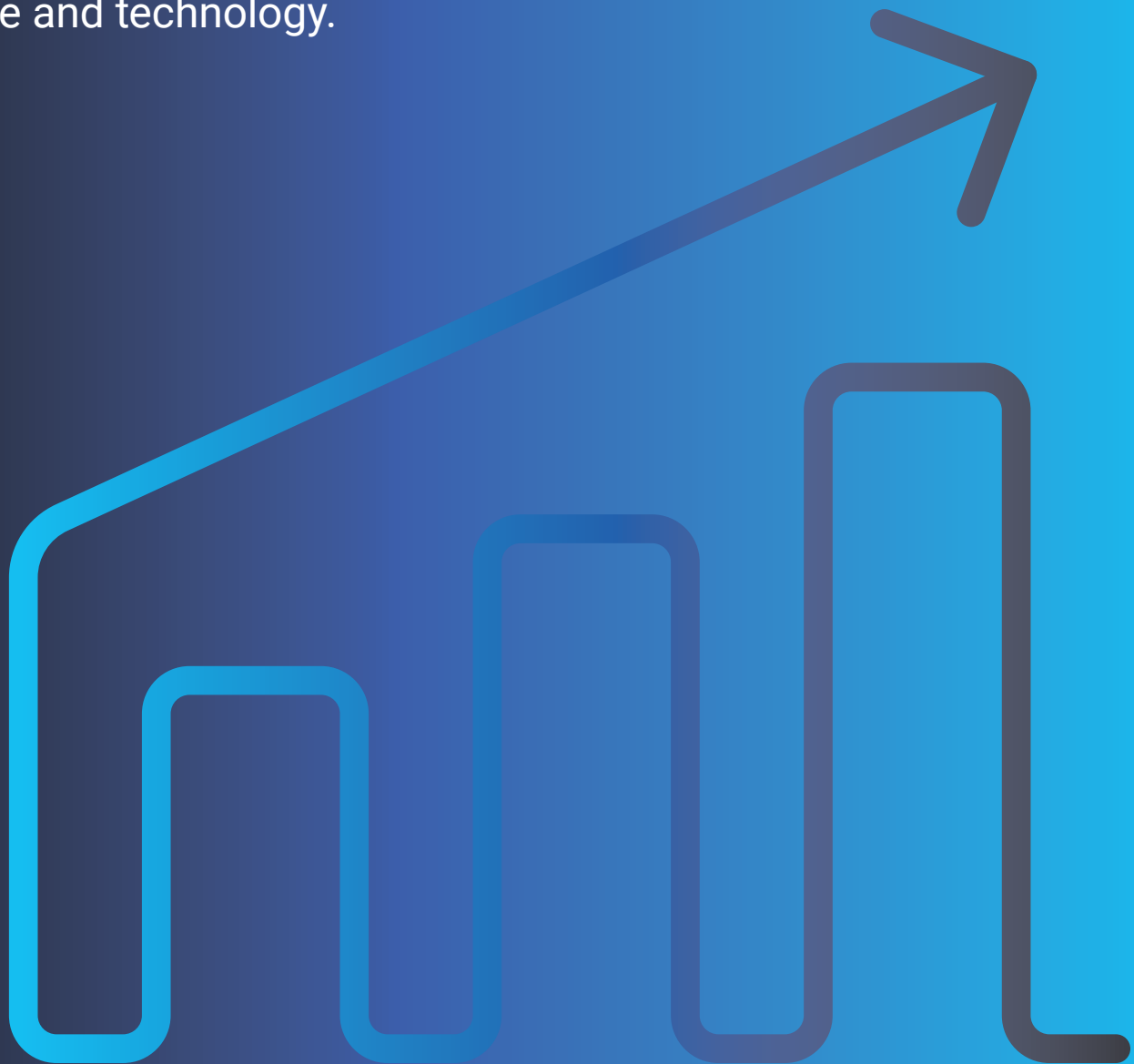


# Setting the stage for CAS success

A review of the essential elements:  
plan, people and technology.



# Introduction

The rise of Client Accounting Services (CAS) as a critical revenue source and key differentiator for accounting firms has been widely documented — in fact, in many firms today, CAS is on a growth path to surpass more traditional offerings in areas such as tax and audit. And for many others, it's moving steadily up the list of strategic priorities. Meanwhile, this is all happening at a moment in which the accounting profession is encountering massive changes spurred on by developments in artificial intelligence and other rapidly evolving, advanced technologies. As a result, the profession is moving to a digital-enabled business model that depends more heavily on outsourcing and automation. CAS strategies must account for — and contribute to — this evolution.

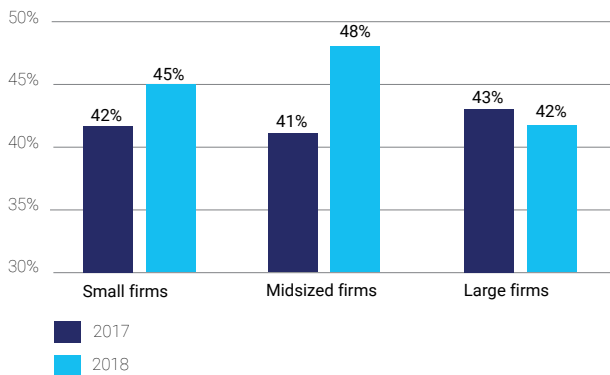
It is no coincidence that the rapid rise of CAS has been accompanied by significant, parallel advances in technology. In fact, it's difficult to imagine CAS emerging at this scale, across the profession, without this explosion of enabling technologies such as cloud computing and others. They are a critical component of any CAS strategy, which is why today we are in the midst of a boom in commercial technology offerings developed specifically for CAS practitioners.

For leaders at accounting firms, these technology offerings are a boon to their efforts to develop robust CAS offerings. But they also present a dilemma: With so many options available, how best to efficiently evaluate, adopt, implement and sustain the optimal technology mix for your CAS strategy? Many leaders report that their efforts to develop or expand their CAS offerings quickly devolve into a technology tsunami — a couple months in, and their heads are swimming in bulleted lists of software capabilities and product demos. That's a clear sign that their CAS efforts have veered off course in a fundamental way. Because while CAS offerings are dependent on technology, they require strengths in other, non-technological aspects to succeed. Technology is only an enabler, albeit a critically important one.

So, what are the other key components of a successful CAS strategy? That's exactly what we will outline in this white paper — starting with the business model.

## Growing interest

% of firms offering or planning to offer client accounting services



Source: Accounting Today "Year Ahead" survey

# Business model: The foundation

Set aside the fact that the accounting profession at large has embraced CAS. What does your firm want to accomplish with CAS, and how will you do it? The answers to those questions lie at the heart of your business model — and they will guide large and small decisions, on technology and many other considerations, throughout the rest of your CAS journey.

To zero in on the right business model for your firm, it may be helpful to consider it in the context of two key aspects:

## The business plan

Just as with any other part of your business, your business plan should drive CAS decisions. In fact, you should account for two layers of business planning: Your top-level business strategy, along with your CAS-specific plan. The decisions you make about CAS should dovetail with both levels of your strategy.

*“We use our business plan to get buy-in on CAS from partners in other departments such as tax and audit. It’s a great way to keep our firm up to date on what we’re doing.”*

– Britiany Tompkins  
Senior Manager, BPM

What are you hoping to achieve with CAS, in terms of revenue goals and meeting client needs? How will CAS fit alongside your other current and future offerings? What services will you offer as part of your CAS strategy, and what types of clients will you be targeting with these services? These are only a few of the top-level questions that your CAS business plan should answer.

There are also more tactical questions that your business plan should address. How do you plan to price individual CAS service offerings? Exactly which types of talent will you need to deliver on your CAS strategy — do

you have the people you need already, or will you need to hire or contract out for more staffing needs? What levels of marketing and new business efforts will be required to ensure a steady pipeline of business?

And finally, of course — which technology systems, infrastructure and solutions will be required to integrate and drive all these elements of your CAS business plan? While technology can’t be the leading factor in your CAS strategy, it is by no means a secondary concern. It’s central. But you need answers to all the other questions before you can make smart, informed decisions on technology.

## Industry specialization

How will you distinguish your CAS offering to target individual industries? Without a good answer to that question, there’s a good chance you’ll encounter serious obstacles in selling your CAS services, because clients increasingly want to know that their advisers bring specialized expertise to every engagement — including CAS.

*“Building industry knowledge is a must. You have to do more than just serve a couple of vertical clients. You have to play in their sandbox.”*

– Paul J. Gerry  
Gray, Gray & Gray LLP

Where do the industry strengths of your firm lie today? That’s a good place to start when considering how to build early momentum for your CAS offerings. For example, if you have a strong stable of manufacturing clients, it makes sense that you would tailor your CAS capabilities to that industry for the purposes of getting off to a strong start. Then, as your CAS capabilities mature, you can expand into other industries, customizing at the appropriate level as you go.

# The people factor

You already know that the accounting profession is changing and reinventing itself at a faster pace than at any time in recent memory, pushed along by technology advances. But it's not just technology that's changing. Talent needs are evolving, too, across the board – and CAS is no exception. Put simply, the types of people you need to make CAS successful are different than the talent your firm required only a few years ago. As a practical matter, this means you'll not only need to recruit and retain different talent profiles, but you may need to shift the skill sets of many of those valuable professionals already on staff. Here are some important considerations for ensuring that your people are up to the challenges of delivering on the promise of CAS.

## Changing skill sets. Changing mindsets.

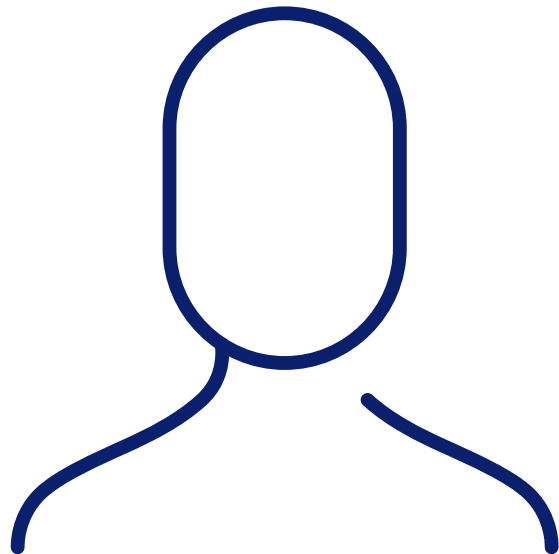
If your organization approaches CAS as just another service offering, that's exactly what you should expect. But likely, that is not how you'll find success. For many firms, CAS represents a breakout opportunity – a fundamentally different approach to delivering on changing client needs. Making it work requires an entirely different mindset on the part of those you'll choose to staff it. Seek out people who are comfortable with change – ideally those who have a track record of serving as change agents. It's important to look for staff that are adaptable and interested in technology. Technology skills can be developed, what you need are people that are interested in learning how to use new technologies.

*“With all the changes underway today, we have to think about how our staffing is changing, too – not necessarily how many people we have, but what are the skills they need to succeed and contribute?”*

– Wade Huseth  
Partner, Baker Tilly

Once you find those people, make sure that they are supported by a structure that is uniquely suited to the job at hand. In fact, its leadership and the entire team should be dedicated to CAS, rather than shared with another practice at the firm.

This won't happen organically. It will require clear communications at every turn (explaining your strategy, why it's important and why it will be implemented in a fundamentally different manner), and more formal internal training and education modules.



## A structure for success

CAS is a different type of offering – one that calls for a different type of organizational structure. Perhaps most important, it will require dedicated resources. How are these resources structured in a way that creates the maximum value for clients, and the greatest impact for the firm? Of course, the answer will be different for different firms. But there already are models emerging that may soon coalesce into the standard foundation for most CAS offerings.

The organizational chart shown below reflects current best practices for CAS in place at a range of accounting firms. In this model, led by a high-level executive sponsor, dedicated functional officers and business units work together to deliver highly specialized CAS capabilities with a high level of efficiency. Whether or not your own organizational model for CAS ultimately

mirrors this model exactly, it can be used as an effective starting place for discussion, to jump-start your efforts.

It's worth noting that the structure reflected in this graphic doesn't have to be implemented immediately. Consider it a model for the desired end state of your CAS practice – one that your organization should be moving toward with every step it takes on CAS.

*"CAS is a constantly evolving practice – each year you should be adding higher-value services that moves your organization deeper into the advisory role, which is where you want to be"*

– Dixie McCurley  
Partner, Trusted CFO Solutions



# Enabled by technology

The most efficient CAS strategy will always involve a technology strategy — one is dependent on the other. For example, it's difficult to imagine offering CAS services that aren't enabled by cloud computing tools. But as discussed earlier, it's best that you don't start with technology — start with a clear business strategy and business model. Once those are in place, and you have a clear understanding of the talent profiles CAS requires, it's time to start making some important decisions about which of these technologies will work best to support your strategy. Technology selection, implementation and deployment aren't new activities for your firm. But CAS introduces a new and different set of requirements, and should not be treated as just another technology initiative. Here are some tested guidelines for making smart technology decisions on your CAS journey.

## What's changed

Accounting firms used to purchase a suite of solutions through the same provider. Today, however, it's possible to assemble your own technology stack, using vendors that specialize in areas of interest to your organization and its clients. Just as important, it's easier to integrate these options than it's ever been — an important development for firms that want to avoid massive technology integration headaches.

It's also worth noting that many solution providers in this space have extended their offerings beyond the technology itself, offering in-depth resources that can provide critical additional support and extend the reach of the CAS offering. Programs designed specifically for accounting firms, such as the Sage Intacct Accountants Program and Bill.com's Accountant Partner Program, offer guidance, training and a community that can help firms grow their practices.



## An evaluation process that delivers what you need

*What does your firm need in CAS technology?*

*What do clients need — especially by industry vertical?*

Those are the two most fundamental questions you should seek to answer as you evaluate technologies that can support your CAS strategy. The good news is that, because CAS has been executed successfully at several firms, there are plenty of hands-on lessons from which you can learn and use to inform your own strategy. At conferences and webcasts, there are a growing number of CAS-related panels and threads, and of course you can always directly contact peers who have CAS experience. CPA.com can also be a useful

resource in the evaluation phase — you can connect with strategic account managers who help firms navigate the CAS landscape as their practices grow. Experienced, objective account managers have helped plenty of firms build some of the most successful CAS practices around, and they can help you do the same. CPA.com is also where you'll find other resources from in-person events such as CAS workshops or the annual Digital CPA Conference, to numerous, helpful white papers, webcasts and more.

It's been said before, but it's worth saying again: Don't let the perfect be the enemy of the good, technology-wise. Given the flexibility of today's offerings, not to mention the constant emergence of entirely new offerings, the odds are good that you can add capabilities easily enough as your needs evolve. It helps if you establish dedicated firm resources to constantly evaluate technology — another best practice from those who have already embarked on their CAS journeys.

## Standardization

When building the technology infrastructure to support your CAS offering, you will almost certainly be pulling together a range of different, purpose-built, best-of-breed technology solutions. And you should take that approach, given the amazing off-the-shelf capabilities available today. At the same time, too much customization can lead to greater complexity — which you want to avoid for all the reasons you can already guess. More systems to keep track of, more technology support, more training, and more technology handshakes typically lead to more problems. So wherever possible, look to standardize. Don't use several different solutions for bill pay or payroll — choose one. Similarly, make sure you standardize

across locations. What works for bill pay in Austin should work just as well in Boston.

*"One of our most important jobs is to create order — to get people out of those chaotic, disconnected technology stacks."*

— Dixie McCurley  
Partner, Trusted CFO Solutions

Leaders at accounting firms often point to clients' preferences as the culprit behind overly complex, repetitive, redundant technology stacks, which leads to perhaps the most important point about standardization: The accounting firm should be guiding decisions on technology, not clients.



# To evolve along with client needs, develop a CAS strategy that allows for flexibility.

This is the part where you might expect us to say that technology will keep evolving quickly, so your team will need to stay a step ahead of technology advances to maintain the competitive edge in CAS. That's true. But, more important, client needs will also keep evolving: Understanding and addressing those needs should be your top priority, once your CAS offering is running. Otherwise, you're at serious risk of making big technology investments for the sake of technology, then finding that those investments don't match up with what clients want. We've seen that happen many times, in CAS and elsewhere. Don't let it happen to you!

Of course, it helps to have a solid strategy in place from the beginning – one that gives your firm the flexibility it needs to evolve to meet future needs. In our view, there are three main steps you should take to shore up your strategy and get your CAS offering on the right path.

- **Understand where you are today – and identify where you want to go.** Building a business plan requires undertaking an honest assessment of your current assets, strengths and gaps in capabilities – all in the context of clear goals for the future at varying milestones. This roadmap can make all the difference.

- **Identify critical changes to processes.** CAS requires new ways of doing business. From workflow to staffing processes and beyond, sticking with your current approach isn't going to be feasible. Where exactly will you need to drive change in your processes? Find out now.
- **Determine which resources you're going to need.** Any time you develop and deploy a new offering, you must make investments in resources – training, marketing, business development and technology. These are all areas in which you'll likely have to invest – so it's best to have a plan and clear guide rails for resource investments now to avoid the risk of either under- or over-investing.

Looking ahead, we anticipate continued growth in CAS offerings – and we fully expect these offerings to change, perhaps in some significant ways, along the way. Be prepared to respond quickly to such new twists and turns in the road. With the right business model, talent and supporting technology, you can.

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If you need help understanding and anticipating clients' latest expectations from CAS, we can help.

Get started today  
by visiting [CPA.com](https://www.cpa.com) or  
call us at 855.855.5CPA