

Mastering Change in Client Advisory Services





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Mastering change in Client Advisory Services

As Client Advisory Services (CAS) continues its rise as an engine of growth and revenue in the accounting profession, some firms are experiencing whiplash: As they move to launch new practices and evolve existing ones, their people are having a difficult time keeping up. The technology is ready, but their people are not prepared for the changes they must make to ensure success.

This challenge is not unique to CAS. Any organization that has undergone a transformation or launched new capabilities has likely encountered similar obstacles. Nor does this challenge necessarily reflect shortcomings on the part of CAS staffers, many of whom are quite capable of rising to meet the moment. Instead, the underlying problem is typically a lack of preparation on the part of firm and CAS leadership, who are often focused on specific aspects such as technology selection, implementation, and adoption. Meanwhile, the job of managing all the changes happening in the firm is pushed to the back burner, despite the fact that the ability to manage changes is a key indicator of success in any transformation.

A thoughtful approach to change management, informed by the lessons of pioneering firms that have successfully launched and expanded their CAS practices, can help firms avoid predictable challenges from the start. In this article, we'll examine the most important change management activities firms should take to ensure the success of their CAS journeys, drawing directly from the experiences of successful leaders in the field.

Expert Contributors



Amy Bridges

Professional Development Manager, CPA.com



Matt Gardner

Founder and CEO, Hiline



Lindsey Wheeler

Director, Strategic Accounts, BILL

What it takes to enable CAS change:

Guiding principles

Successful CAS practices build change management into their strategies from the start, following three simple principles:

1. Commit to change – starting with senior leadership
2. Identify and empower a champion for CAS change
3. Plan for systemic resistance

Change management: What it is and why it matters

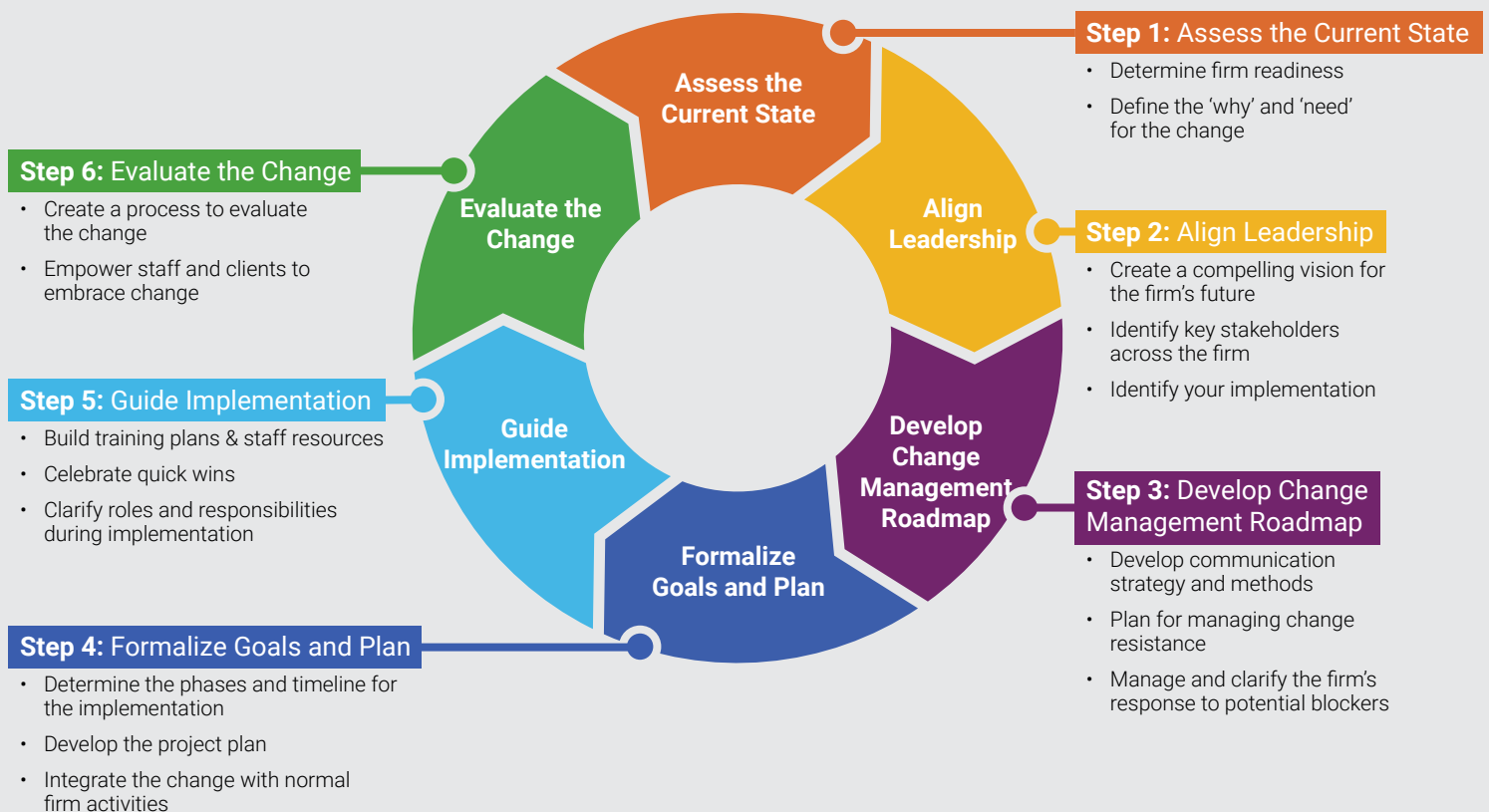
Change management is a system for guiding critical transitions or transformations within an organization. It is focused primarily on talent – on the people who are responsible for effecting change, guiding and managing change, and helping others adapt to change. For CAS practices, change management is designed to accomplish four key objectives:

- ▶ Establish a clear, disciplined approach
- ▶ Create a transparent plan for growth and change
- ▶ Share the benefits of change for the firm, its staff, and clients
- ▶ Anticipate risks

Why is change management important? Because without it, an undisciplined, ad hoc approach to managing change is likely to lead to frustrated staffers, longer timelines, missed milestones, and suboptimal business outcomes. Successful change management relies on tested, long standing principles to ensure that CAS staffers understand the goals of change, have a path for achieving it, and feel supported at every step.

This article offers a view of the steps that make up a successful change management strategy for CAS practices looking to launch, expand, and grow.

Change Management Framework



Assess the current state

Whether establishing or growing a CAS practice, firm leaders know that assessment is the first step – just as it is with any shift in strategy. They create a map of the services they're already providing, then compare it to the services their clients need. This leads to a series of other assessments, on everything from pricing to staffing.

The organization's capacity for change requires assessment, too. Are staffers open to change? How willing are they to invest in a CAS transition, even if it requires their billable hours to drop significantly during a period of change? "If you're moving to a technology specifically because it's going to save everyone time, and you're talking to staffers who are billing time by the hour, that's probably not going to resonate with them at first," says Lindsay Wheeler, director of strategic accounts at BILL. "So you really need to consider who you're talking to and what their motivations are today." Other useful questions for assessing staffers' capacity to change include:

- ▶ Are staffers and leadership open to standardization, or are they likely to make exceptions for certain clients?
- ▶ When exceptions are made, they should be billed as a special project – how will they react?
- ▶ Will staffers need to be upskilled as part of the change?
- ▶ Are they likely to resist the training that will be required, and if so, why?



"If you're moving to a technology specifically because it's going to save everyone time, and you're talking to staffers who are billing time by the hour, that's probably not going to resonate with them at first,"

Clients are also part of the change management equation, raising a different set of questions such as:

- ▶ Will they be open to moving to the firm's cloud-based technology solutions?
- ▶ Are they likely to collaborate, moving to more frequent (but shorter) meetings?
- ▶ Are they willing to change from hourly bills to standardized pricing billed in advance of the work?

If the answers to any or all of these questions is "no", the firm may need to consider offboarding these clients, since they may not be a good fit for its CAS plans. Are firm leaders willing to take that step?

Align firm leadership

Leadership alignment begins with a clear, compelling vision for the future of CAS in the firm. It motivates leaders to take action, clarifies the direction of the change, and helps coordinate and structure the activities of different parts of the CAS team. This level of commitment must be modeled by the most senior leaders in the firm – without their clear commitment, others throughout the organization will not feel compelled to embrace change either – and may actively resist it.

An effective vision for CAS should be easy to understand, generate interest in the offering, and take less than five minutes to communicate. How will the past be different from the future? What will change leaders do to ensure that the vision becomes a reality? What will the transition state look like? How will the firm know if the change is successful? These are some of the practical questions the firm should answer in developing the CAS vision.

Once the vision for CAS is established, the next step is to identify key stakeholders – those who are most

impacted by CAS changes, their receptiveness to the change, and who is likely to impact the project the most. Separately, the core strategy and leadership team for CAS should also be identified – the dedicated team with clear responsibilities for developing new processes, managing the rollout, and leading the change. This team should reflect a mix of experiences, responsibilities, and expertise, drawn from different offices, new acquisitions, service lines, and staff levels. Within this group, “power users” (high-potential staff or senior leaders who show initiative and interest) can serve as CAS champions. “To make this change, you need a visionary to lead it,” says Matt Gardner, CEO and cofounder of Hiline, an accounting and strategy firm based in upstate New York. “You have to be a master storyteller – a motivator.” If team members lose focus on the CAS journey, losing sight of the end goals or the paths to reaching them, visionary CAS leaders can restore focus and momentum to help ensure a successful initiative.





Develop the CAS change management roadmap

Once the vision for CAS is established and key stakeholders and team members have been identified, what's next? Developing a comprehensive change management roadmap to guide the firm's CAS efforts. This roadmap consists of three key components:

1. Develop communication strategy and methods

The power of the CAS vision statement can only be realized when it is communicated – creating a shared purpose among staffers, garnering commitments, and ensuring that everyone understands the goals for CAS and how they will be achieved. A communications strategy that tells the story of the firm's CAS initiative to internal audiences over time is the best way to achieve this goal.

2. Anticipate and manage resistance

CAS efforts often face resistance, especially among staffers concerned that CAS-enabling technologies may take over their jobs. Team members are also likely

to experience a dip in productivity as CAS plans get underway – a typical aspect of any significant change, but one that can be uncomfortable and discouraging for staff. Some will feel less confident as experts in their field as they move to learn new tools and processes, having to rebuild their speed in workflows. CAS leaders should anticipate these moments and have a plan for steering their people through these types of changes, helping them understand that a temporary decline in productivity is normal and will subside as they move ahead.

Thorough change management roadmaps consider resistance to change and how to manage it to gain buy-in. Firms can use resistance to increase acceptance and dedication to CAS-related changes. Through proactive listening, education, and training – and with the help of internal “change champions” – many firms have been able to avoid the pitfalls of resistance.

3. Respond to potential blockers

Staffers who are resistant to change should be addressed directly, building on an understanding of their reasons for resistance. When properly engaged, they can evolve into advocates. “You can’t just do something new and they’re going to want to change, too,” says Hiline’s Matt Gardner. “You actually have to want to change, and your people have to want to change too, which is the hardest part.”

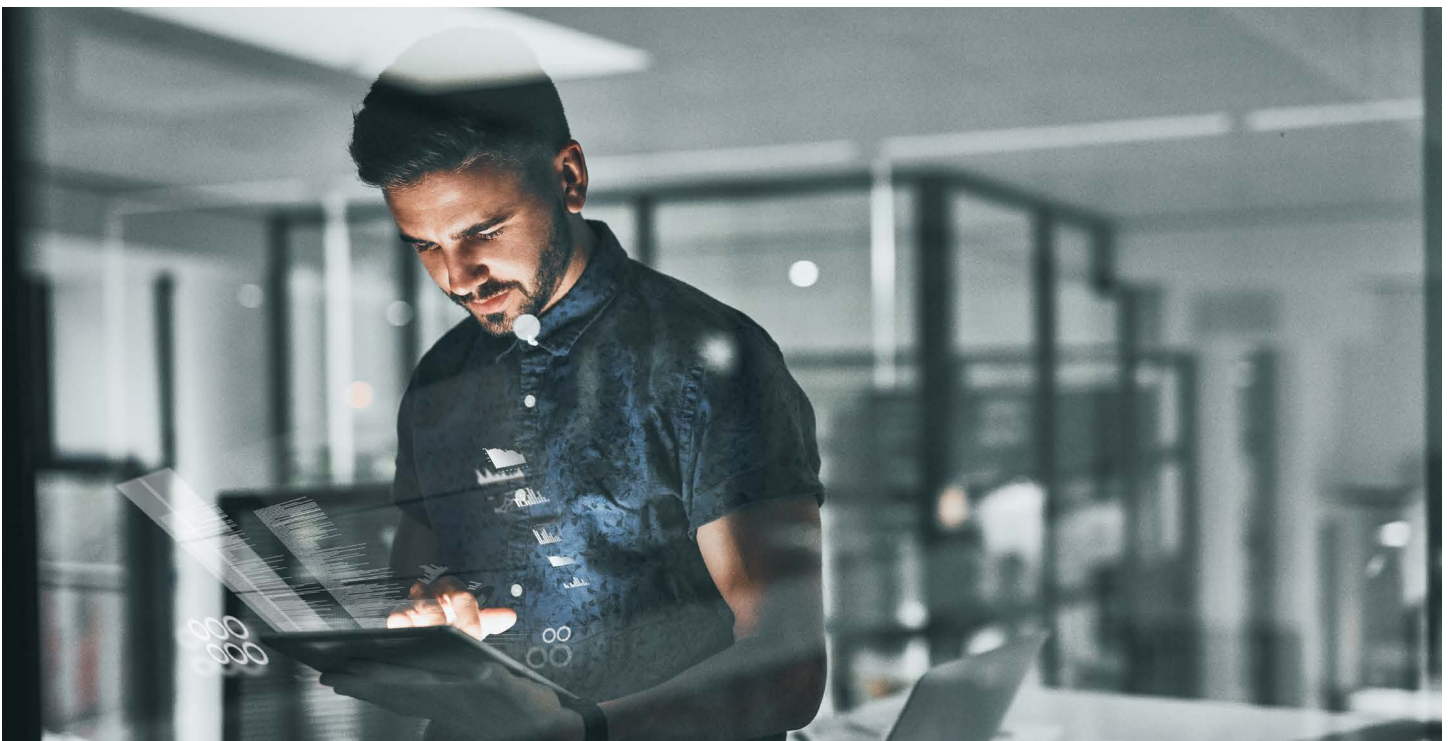
For example, for those who feel unprepared for change, time for additional training on soft skills (for client-facing work), on technology, or on technical and advisory skills may give them the confidence they need to embrace change. Others may find it useful to be part of the engagement letter review for clients who are moving into CAS engagements, giving them some control over – and insight into – the process and its potential benefits. Some simply need to see how this change can benefit them in practical, everyday ways – such as leveled workloads (compared to 80-hour work weeks during tax season), deeper interactions with fewer clients, or reductions in billable hour targets. “We have a weekly, all-hands meeting where we’re consistently echoing our message, our results, the challenges we’re facing – everything,” says Gardner. “We’re completely transparent, bringing staffers into the

conversation and inviting them to participate in building our future together. This has been the number one way we’ve gotten them to buy into our strategy, rather than telling them what we want to do after we build it.”

Different paths for different firms

For many firms, the change management roadmap is designed to methodically address individual aspects of the CAS business, one by one. For example, they may start with bill pay services, focusing only in that space to gain competence and buy-in, then move to other services in areas such as spend management and general ledger. Similarly, some firms start with “test” clients where they are most likely to achieve success, building their confidence and capacity for a larger-scale CAS push. This allows them to grow at a measured pace and avoid many of the pitfalls that can accompany rapid change.

Regardless of the type of roadmap the firm pursues, Amy Bridges, CPA.com’s professional development manager, encourages firms to plan for flexibility: “The roadmap you have at the beginning of this journey is going to evolve and change just like everything else – be prepared for that. It’s never going to be perfect. But there’s a point at which you just need to start.”



Formalize goals and plan

The CAS roadmap becomes a working plan when timelines, financial goals, and specific processes are formalized in detail. Fortunately, there is a proven approach to this aspect of CAS planning – the same set of activities used when unrolling any significant new service or offering. With a dedicated CAS team in place, the firm can:

Conduct a business process analysis

Understand which process already in place will be expected to align with CAS processes, as well as which new, CAS-specific processes will be required. This step typically requires collecting information about existing processes from staffers in other parts of the business, better understanding the strengths and shortcomings of those processes, and identifying potential improvements.

Determine the phases and timeline for change

Depending on the size and scope of the CAS implementation, the firm may have more than one rollout phase, which may be aligned to individual industries, CAS services, or office locations. This exercise sets the overall timeline for the project, critical milestones, project phases, and the outcomes expected for each phase.

Create a project plan and assign resources

The project plan is separate from the overall strategy – a tool for documenting the actions, timelines and resources needed to support CAS changes. If the change management strategy provides the “what” and “why” for the initiative, the project plan addresses the “how,” providing stakeholders with clarity and transparency to key stakeholders.

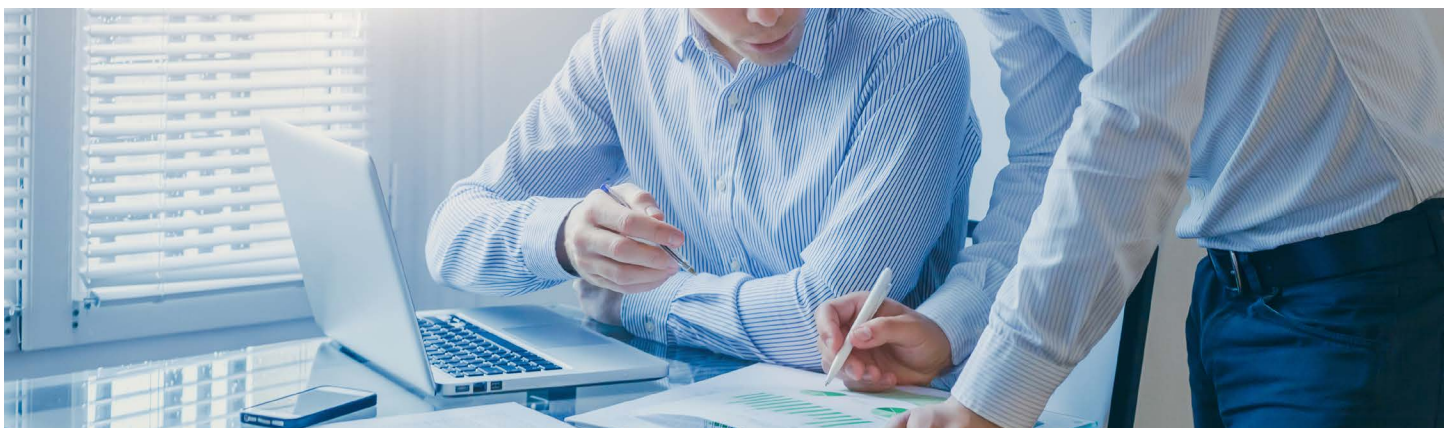
Set appropriate change metrics

Measuring the impact of CAS change management is important for garnering buy-in, identifying quick wins, and creating transparency. Metrics should be focused on services offered, percentage of fully dedicated CAS staff, revenue per client, and margin percentages.

More specific CAS metrics vary significantly based on the scope of the strategy, and address considerations such as:

- ▶ Performance improvements
- ▶ Adherence to project plan
- ▶ Business and change readiness
- ▶ Benefit realization and ROI
- ▶ Adherence to timeline
- ▶ Achievement of training goals
- ▶ Process and technology adoption
- ▶ Speed of execution
- ▶ Improvements to quality

Timing is an important consideration in measuring these goals – they will not be achieved overnight, and some are likely to encounter setbacks along the way, as people and the organization itself adjust. For example, measuring progress a week after change has been set in motion will not reveal useful insights. Determine reasonable expectations for timing at the outset, accounting for the team’s comfort level with change and how long it will take them to embrace change, then measure accordingly.



Guiding the implementation

Activating the change management plan requires ongoing coaching and training to ensure that team members have the support they need, when they need it. When their enthusiasm, focus, or skills begin to wane, coaching and training efforts can bolster them and help sustain forward momentum for change. These efforts can be both in-person and virtual, depending on the audience, the extent of their needs, and their location. In a CAS environment, technology is often where this type of support is most needed – solution providers can be relied on to deliver technology-specific coaching and training, based on their experiences helping other CAS practices.

Quick wins

Along the way, it helps to acknowledge and celebrate quick wins – short-term gains achieved early in the implementation. While this may initially seem to be a footnote in the larger context of the CAS strategy, celebrating quick wins can have an outsized impact, playing a pivotal role in change transformation. They provide proof that the plan is working, reinforce desired behaviors, build momentum, and serve as a counterpoint to naysayers. The best quick wins are measurable and visible and can be directly connected to specific components of the CAS roadmap.

Definition and clarity in evolving roles

Even with a clear roadmap and implementation plan, project roles can shift as the implementation is underway. As a result, it is important to frequently check in to make sure roles are clear and defined – and where they are shifting, this should be formally acknowledged and communicated to the full team. At any given moment, each team member should know which role they play, how to perform the role, and all expectations for their role.



Quick wins in CAS: Examples

- ▶ Dedicated CAS champion is selected
- ▶ CAS technology systems are configured and align with existing IT infrastructure
- ▶ First users have completed required training on new CAS platforms
- ▶ Staff roles are established and devoted to CAS
- ▶ Users and clients have been added to the CAS system
- ▶ Key client engagements have been launched and are in progress

Ongoing evaluation

Is the change management strategy working? The only way to know is through evaluating clear metrics established at the outset of the initiative.

Direct feedback from stakeholders is a critical aspect of evaluation. Firms should have a clear process for staff, change champions, and stakeholders to provide feedback routinely, in order to identify and manage risks and sustain forward momentum. The phase of the implementation is important – pilot-phase feedback should be handled in different ways and frequencies in the pilot phase versus Phase 1 and the large-scale rollout phase of CAS.

When feedback points to shortcomings, firms should have tools and plans in place to bolster staffers' ability to embrace change. This is about building change resilience – reinforcing their ability to sustain change even in the face of confusion or anxiety.

Key aspects of change resilience include:

- ▶ Creating an organized work environment to give staffers the space and energy they need to address change
- ▶ Providing social connections to serve as a source of solutions and positive responses to challenges
- ▶ Accepting the need to shift and redefine direction as needed
- ▶ Cultivating the problem-solving capacity to effectively process and resolve issues as they arise
- ▶ Being proactive – accepting that change is inevitable and finding ways to grow with it





Change is hard. But it's worth it.

Successful change management for any important initiative begins by acknowledging that those affected are likely to resist, because change is difficult. Regardless of the scope of a CAS plan, it will introduce a range of fundamental shifts that have the potential to create discomfort for staffers. For some, CAS represents a technology challenge – one in which they are expected to break from familiar systems to learn new solutions. For others, CAS may be perceived as a threat to their jobs, since it promises greater efficiency on the way to delivering higher-level advisory insights to clients. Sustained resistance to any of these changes can put CAS strategies at risk.

Fortunately, these types of challenges are both familiar and surmountable, addressed by the mature, proven change management practices outlined in this article. CAS leaders concerned about the scope and depth of these

activities have ample resources available to help them apply these approaches successfully. For example, many firms turn to their CAS technology providers for hands-on support with many of the change management activities examined here. These providers have strong incentives to ensure the success of their clients' CAS initiatives. Additionally, CPA.com helped pioneer CAS as a new service offering for firms and has developed a range of tools to help firms launch and sustain CAS practices, from webinars and thought leadership to training workshops. For an in-depth discussion of change management in CAS among firm leaders, CAS solution providers, and CPA.com leaders, please take a moment to view our recent webinar, [Change as a Strategy: Building a Plan to Manage CAS Growth](#).

To learn more about bill pay automation and training with BILL, please reach out to a [CPA.com strategic account manager](#).

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