

Special Report

A blueprint for advisory



Advisory from the ground up

How to take a strategic approach to
building an advisory practice

Advisory from the ground up

How accounting firms can take a strategic approach to building an advisory practice

By Antoinette Alexander

The pressure on accounting firms to rethink their business model and how they serve clients continues to intensify as they navigate advancements in technology, shifts in client demands, and ongoing regulatory and legislative complexity. For many, pivoting to become more advisory-focused is the path forward.

"The [client] expectations of their CPA and their CPA firm have changed, and I think we see that consistency across the board. ... We try to interact with our clients as much as possible, and when we talk with them, they want more. They want holistic solution providers," said David Hartley, partner-in-charge of advisory at Top 100 Firm Anders in St. Louis. "What we are hearing is, 'We want you, we trust you, we've had a relationship with you and we would love if you could do more of these other services for us.' So, I think that is really the opportunity for CPA firms and for the profession is that we have that trust. Now, as we add more and more value going forward with advisory services, it sets us up for a great future."

Highlighting the growing shift toward advisory, *Accounting Today's* annual Year Ahead research found that half (49%) of the firms surveyed said they anticipate spending more time on advisory work in 2025. This far outweighed the time expected to be

spent on compliance services (24%) and administrative services (13%).

While the increased emphasis on providing more higher-value, higher-margin advisory services is evident, what may not be so clear is the blueprint needed for success. Building a strong advisory practice requires a thought-out, methodical approach.

"I think business advisory services, in general, are ... not being brought to the table as effectively as possible," said Rob Henderson, partner-in-charge of advisory at Long Beach, California-based Windes. "I think clients now are more focused on the experience and the value that you are adding to them. So, this role ... of the facilitated advisor is being created and, as the facilitated advisor, you are going to have to advise these clients in many different areas or at least be able to identify what they need."

Added Henderson, "If firms can change that compliance mindset into that advisory mindset and identify truly what it is that these clients need, and then go build service lines around it, there could be exponential growth."

Blueprint for advisory

Recognizing the significance and growth potential of advisory services is undoubtedly important, but recognition alone doesn't equate to success. As previously mentioned, establishing a strong advisory practice requires a

SPOTLIGHT ON

Choreo



David Winslow
Managing
director, wealth
management

What's the first step toward building a strong advisory practice?

Start small. Building strong client relationships, investing in the advisory structure, staff development, and leveraging technology will help lay the foundation and framework of an advisory practice. Expanding wealth management services allows firms to differentiate from competitors by bringing a more creative and systematic approach to prioritizing offerings and resources in ways that meet their clients' needs.

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strategic plan — a blueprint.

Wondering where to begin? Many sources agree that setting the right tone at the top is a crucial first step. This involves identifying leadership to spearhead the build-out of an advisory practice, establishing a clear strategic vision, and ensuring unity across the top ranks of the firm.

"I think it is important for firm leadership to really understand and agree that the future of the firm and of the profession is in advisory services. ... You have to have that commitment from the top that this is important, this is a priority. And we need a blueprint," said Hartley. "We need to decide, as a firm, what are our priorities and let's assess where we are today. I think that is an important step, as well — to understand what you have."

Added Hartley, "You are going to have to dedicate some leadership and some energy if you truly want to build advisory services. That energy to push through the momentum and really push the change forward of establishing advisory services. All of those things, I think, are really important."

Kalil Merhib, executive vice president of growth and professional services at CPA.com, agreed and said, "I think the first step is certainly establishing alignment within leadership of a firm, because that can ultimately then lead to a strategy for how you want to execute [an] advisory strategy."

Consider this: Global consulting firm Protiviti stated that, based on its own experience and data from various consulting firms, more than 70% of major change initiatives experience some level of failure. While several factors come into play, Protiviti stressed that the breakdown of leadership's role in change management is not to be overlooked.

"In practice, we find that change-management best practices, from en-

gaging people to defining and promoting critical new behaviors, are often an afterthought, taking a back seat to technical processes and technology components of the initiative," Protiviti stated in its newsletter, "The Bulletin," issued in March 2024.

"You need that executive support to actually drive the blueprint home and actually get it implemented because ideas are easy. ... The hard part is execution and, really, when you try to effect change within a CPA firm, for a lot of firms, it is very, very difficult," said Anders' Hartley.

Noted Merhib, "I think, with that vision and strategy and a new way of thinking, you start to reenvision what the value proposition to your clients will be. You start to think about restructuring with the right resources, and skill sets, and service offerings. And then you start thinking about the delivery model and the client management model. ... And, ultimately, the change management aspect of this has to be rooted in creating accountability for everyone in the firm to begin putting their oars in the water and rowing in the same direction. And that really is when you start reaching that trusted business advisor role with your clients."

Identify the right services

With a clear vision in place and buy-in from the top down, firms can begin developing their menu of advisory services.

Not all firms are alike, so analyzing the firm's current client base and internal capabilities can help identify the right services for the right clients.

"Firms should assess their expertise, current service offerings, and the needs of their clients. Engaging in client surveys or one-on-one feedback sessions can help offer valuable insights into areas where advisory services could add the most value,"

SPOTLIGHT ON

CPA.com



Kim Blascoe
Senior director,
CAS professional
services

What's the first step toward building a strong advisory practice?

The journey begins by shifting from a compliance-focused approach to a client-centric mindset. CPA.com's CAS 2.0 methodology highlights the need for strategic planning that integrates people, process, and technology — anchored by four core pillars: governance & strategy, practice development, technology solutions, and operational excellence. These pillars work together to help firms evolve into future-ready practices that go beyond transactional work to deliver proactive guidance and meaningful insights.

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said David Winslow, managing director of wealth management at Chicago-based Choreo.

As outlined by Merhib, there are several factors that firms should consider. These include:

- Who are the current clients? For instance, look at the client base by industry, size, geographic location, etc.
- Examine the firm's internal capabilities. What are the current skill sets among staff? Which services is the firm currently able to provide? Does the firm have leaders to lead in these areas?
- Ensure there's a product-market fit. In other words, bring to the table an offering that resonates with the target clients.

It is also important to explore services that are not industry- or vertical-specific.

"SOC examinations, for example, business intelligence, human capital management advisory, technology advisory — these are all areas that, I think, right now many clients are looking for guidance around and are great areas to start exploring where to focus efforts to build advisory," Merhib said.

Hartley also stressed the importance of understanding the firm's client profile and establishing a people strategy to deliver the desired advisory services.

"You've got to know your client base and you've got to really understand your strategy and your ideal client profile," he said. "Those are the clients that you are going to go after, [so] what are the services that those clients need? There may be a delta between the client base you have today and the client base you want in the future, and, if so, the services you are providing today may not be a fit for the clients that you want in the future. Really getting that solid understanding of where you are

going in the market and how you are going to be positioned, I think, a lot of that is really foundational for success on this. I think the second part of that is you have to look at your skill sets. You have to do a real assessment of your people. What talent do you have?"

If there are skills gaps, firms should determine whether to acquire the skill sets through an acquisition, by making a lateral hire, or by training and re-skilling talent, Hartley said.

At Windes, Henderson said it started with client advisory services, which includes business process outsourcing, fractional CFO services, fractional controllership services, business insights and financial planning and analysis solutions, and trusted advisor services.

"That is where we wanted to go first because we already had, for lack of a better word, a bookkeeping practice here, and we saw the industry, with CAS, shifting and growing. So we wanted to put somebody in charge of that to clean up our existing practice and relaunch it into a truly defined CAS practice. So we started with that," Henderson said.

"With that, we evolved with wealth management," he continued. "We added a wealth management arm that, at the moment, primarily services tax clients or M&A opportunities where we are able to capture the liquidity of that after the sale is done, primarily on the sell side. And then we moved into technology and risk. So within technology and risk, we have cybersecurity, SOC II advisory and audits."

In addition, Henderson said Windes is currently working on an internal data analytics practice that it hopes to eventually convert into an external service line for clients.

"I think it really comes back to what the vision is of the firm. How they want to grow, and it also certainly comes back to money and investment," Hen-

SPOTLIGHT ON

CPACharge



Gui Ce
Senior vice
president and
corporate
controller

What's the first step toward building a strong advisory practice?

The first step is streamlining routine work, often through automation, to free up time for more meaningful conversations. From there, focus on truly understanding your clients' goals and offering insights that help them make smart decisions. It's not just about reporting anymore — it's about becoming a trusted advisor and partner.

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derson said. “Every size firm is going to be a little bit different, and that is what we see in the market. My take is that the firms that have private equity backing are going to be able to launch advisory practices and get them up much faster than a smaller firm, who has less capital and is going to have to either create a strategic partnership with a third-party vendor to launch a service or will have to finance it themselves.”

In discussing the approach taken at Top 100 Firm Eide Bailly, chief advisory officer Ross Manson said, “One of the things that we did is try to establish getting to at least three services per client. And then, I think, you can start to take a look at: ‘Well, what are those services that your clients need?’”

Continued Manson, “Take a look at what industries do you have some dominance in? Is there a particular industry sector that is really strong within your geography to look at? And then, I think, it is picking which avenue do you go down, whether it is outsourcing on the accounting side, do you pick some industry consulting, do you go after some technology plays? Those are probably three areas where most firms have continued to migrate their practice areas in.”

Manson said Eide Bailly’s advisory services essentially coalesce around six key areas: outsourcing, security and risk, data and artificial intelligence, business applications, industry-focused strategy and management, and transaction advisory services.

Leverage technology

Firms looking to build out a strong advisory practice must also have the right technologies in place to improve efficiencies, better serve clients, and identify growth opportunities. According to experts, client operations, customer relationship management, analytics, practice management, and

workflow solutions are among those that rise to the top.

Firms should also keep in mind that the tech tools within an advisory practice can vary greatly depending on the service offerings. For instance, the tools used to provide SOC advisory services will differ from those used for transaction advisory services or for CFO advisory services, to name a few.

“I think the thing that is a little different in terms of the tech stack compared to, say, CAS — where we would talk about you needing to have a general ledger, and a spend management, a bill pay, and an FP&A solution — is that in advisory practices, depending on the service, the execution system may be very different,” explained Merhib. “I think these practices still rely on the firmwide operational layer for document management, and time and billing, and scheduling, and things of that nature, but the tools used to deliver that service may vary significantly.”

Hartley agreed and said, “That is one of the challenges of advisory is that there is not just this one system that is out there that fits all of your needs. For example, in my firm, I have basically five different businesses that make up my advisory practice. Each one of those has a different need for a different set of tools.”

What is key, said Hartley, is to gain a deep understanding of the unique needs of the clients within each of those businesses.

Tommy Vincent, chief revenue officer for HUB Analytics, pointed to the benefits of leveraging tools and technologies that can streamline and automate client operations. Under the client operations umbrella are four key subprocesses, he said. These include:

- 1. Data entry:** Look for tools to automate data entry.
- 2. Accuracy and quality assur-**

SPOTLIGHT ON

HUB Analytics



Tommy Vincent
Co-founder
and CRO

What's the first step toward building a strong advisory practice?

The first step toward building a strong advisory practice is understanding your clients’ goals and pain points. This allows you to shift from reactive bookkeeping to proactive guidance, positioning yourself as a strategic partner. Start by offering insights from their financial data, then build trust through consistent communication and value-added recommendations.

HUB Analytics is an AI-first financial reporting platform that enables accountants, bookkeepers, and business owners to create comprehensive reports, forecasts, dashboards, and consolidations with AI-powered insights, all with the click of a button.





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they actually want:

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ance: Consider tools that can scan the underlying accounting work and automatically flag any anomalies or areas of noncompliance.

3. Storytelling: Leverage client reporting platforms that can automatically generate reports for greater efficiency.

4. Thought leadership: Consider solutions that can deliver the actionable insights that clients desire.

"That is certainly how I would be thinking about tackling different categories of software as an advisory firm," Vincent said.

HUB Analytics, a business reporting tool, can perform the "automated compliance checking; we can do the automated client reporting, and then we also incorporate artificial intelligence insights into those client reports to generate things like profitability recommendations for [a client's business]," Vincent added.

Furthermore, the value of a robust CRM solution is not to be underestimated. CRM systems, which house and organize data like client engagement and feedback, enable firms to track and share client interactions and identify additional selling opportunities. This can ultimately lead to stronger client relationships via targeted advisory services.

"I am in CRM every day. I am looking at dashboards. I am looking at analytics to try to figure out what the market is telling us. ... If we are going to do these marketing efforts, to assess the effectiveness of the marketing efforts, we have to be able to bring that into CRM and actually track these things that are happening," Hartley said. "We are putting out a ton of thought leadership, so which of our thought leadership is actually resonating with our prospects? What stories are they clicking on? What things do they want to learn more about, and the things

that are of interest to them today?"

He continued, "The second level of that for CRM is to figure out, within your CRM and your prospect base, where can we cross-serve? ... That is another thing that we are seeing [and] that is going to become crucial because ... clients want more from us, and they are willing to buy more from us; we just have to identify what those things are," Hartley said.

When weighing solutions, Henderson at Windes stressed the significance of leveraging a system that enables strong integration and makes it easy to access client data.

"If there is a software package that you are using that is restrictive to third-party applications or doesn't give access to your data easily [and] efficiently, it makes it hard to build a tech stack on top of that. We have encountered that in the past, and a lot of the new technologies that are popping up are more open-ended with respect to APIs and adding other software on top of them," Henderson said.

Establish thought leadership

While CRM systems can house a treasure trove of client behavior insights and cross-selling opportunities, as previously stated, it is still essential to proactively market the firm's advisory services to drive growth.

According to experts, the firms that see the greatest success are those that establish a clear value proposition and recognize the power of thought leadership.

"Outside of brand marketing, I think really it is around thought leadership. That is what is selling today. People are following people who are giving them a ton of value before they are asking for a sale. So, if that is YouTube talks, if that is podcasts, if that is writing white papers, blogs. ... Real humans offering real advice and gaining traction with

that," Vincent said.

Winslow of Choreo agreed and said, "A combination of content marketing, including blogs, white papers and webinars, can be an effective approach in showcasing advisory expertise. Local networking events, industry partnerships, and social media outreach also help establish credibility and attract new clients."

Hartley believes that the CPA profession has become a "sea of sameness." The future, he said, will focus more on differentiation. "It is not just enough that you have the CPA hat on, and that is going to win you work. It is now that you have to have a clear, articulate value proposition that you can take to the market," he said. "Having the message is one thing, but if you don't get it in front of the right prospects that match your ideal client profile, then you are either going to attract no clients or the wrong clients."

Clearly, firms looking to build out a strong advisory practice must be strategic in their approach. That means creating a blueprint for advisory that includes:

- Identifying leadership to spearhead the effort;
- Establishing a clear vision;
- Ensuring unity across the leadership team to facilitate change management;
- Investing in services that resonate with clients;
- Implementing technologies to increase automation, better serve clients, and identify growth opportunities; and,
- Becoming a thought leader to help market the firm's expertise.

Advised Winslow, "Start small.

Building strong client relationships, investing in the advisory structure, staff development, and leveraging technology will help lay the foundation and framework of an advisory practice." **AT**