



REWRITING THE
ACCOUNTING PLAYBOOK:
**Transforming Your
Firm for the Future**



Table of Contents

| | | | |
|---------------------------------|----|--------------------------------------|----|
| Executive Summary..... | 3 | 4. Retain important clients..... | 12 |
| Introduction | 5 | 5. Increase firm profitability | 14 |
| 1. A digital awakening | 6 | Become an industry leader | 16 |
| 2. Private equity and M&A | 9 | Why Introhive? | 17 |
| 3. Service line expansion | 11 | | |



Executive Summary

The accounting profession has changed more in the past five to 10 years than throughout the previous century, yet many still struggle with change fatigue and risk-averse cultures. Firms that balance digital transformation with traditional accounting principles are best positioned to thrive — and, in turn, adapt to shifting client expectations and evolving business models. In 2023, the sector recorded **\$147.5 billion in revenue** in the U.S. alone — a 6.2% increase from the \$138.93 billion in revenue recorded four years prior. To stay competitive, firms are leveraging **AI, relationship intelligence, and private equity** investments to streamline operations, enhance client relationships, and drive profitability. Below are the **key trends** shaping the profession in 2025 and beyond:

1

Digital transformation and AI adoption

Technology continues to reshape the accounting profession, with firms investing in AI and automation to improve efficiency and enhance client service. In 2025, firms that integrate AI-driven insights will gain a competitive edge, using predictive analytics to anticipate client needs, automate workflows, and free up advisors for high-value tasks.

2

Private equity and M&A

Private equity investment in accounting firms is accelerating, with over half of the U.S.'s top 30 firms expected to sell ownership stakes by 2025. Firms backed by PE are gaining access to capital for expansion, technology adoption, and talent retention, while M&A activity remains strong as firms consolidate for market dominance.



3 Expansion into new service lines

Beyond traditional compliance services, accounting firms are diversifying into to drive new revenue streams. The Big Four's revenue has surged **274%** over the last 15 years due to this shift, and mid-sized firms are following suit, supported by M&A and private equity funding.

4 Client retention

A 5% increase in retention can boost profits by up to 95%, making client loyalty a key growth driver. Firms are using client intelligence to personalize services and strengthen their customer relationships. By proactively meeting client needs, they secure long-term loyalty, sustain revenue, and stay competitive.

5 Increased revenue and profitability

Firms are moving away from low-margin services and prioritizing high-value offerings for existing clients. Cross-selling can increase sales by **20%**, and firms using client intelligence see a **30% increase in internal referrals and cross-sell revenue.**



Introduction

The accounting profession has experienced a multitude of changes over the past few years, largely driven by shifting firm expectations, a rise in AI and digital technologies, and a constantly-evolving market. But while the profession has significantly transformed, new hurdles haven't slowed growth. In 2023, the accounting sector **recorded \$147.5 billion** in revenue in the U.S. alone. At the same time, more than **1.5 million** people were **employed** as accountants and auditors in the U.S. that same year, a number that is expected to rise by **6%**—faster than average—by 2033.

Several trends are reshaping the accounting profession, pushing firms to become more forward-thinking, proactive, and opportunity-driven.

Over the last few years, the rise of machine learning, AI, and data analytics platforms has affected how the accounting profession operates. Part of firms' newer expansion efforts is tied to the fact that private equity (PE) investors are more commonly showing interest in the accounting sector and that there's been increased merger and acquisition (M&A) activity. All this has resulted in many firms' revamping their organizational structures and broadening their market reach by expanding into new geographies and service lines.

To become the accounting firm of tomorrow, firms are embracing a digital transformation and client intelligence to help them attract PE and M&A interest, expand into new service lines, retain important clients, and increase their profitability.

Accounting sector
revenue in 2023

**\$147.5
BILLION**

Source: Statista

1 A digital awakening

Over the last decade, the accounting profession has experienced a **digital transformation** that's been significantly accelerated in the past five years. This has largely been due to generational leadership transitions, evolving client expectations, competitive pressures, and the onset of the COVID-19 pandemic, which demanded firms adapt to a remote, digital-first work environment. Accounting professionals believe the **greatest risk to the sector** stems from a **failure to keep up with technological advancements**, with firms planning to invest an average of **\$24,000** in accounting tools over the next 12 months.

// Digital transformation is happening across every facet of the accounting firm and industry," says Adam Klein, Head of Industry, Accounting and Advisory at Introhive. "It's affecting how firms manage their work processes internally, how they communicate with clients, how information is stored, and more."



Doing accounting differently

The accounting profession's digital revolution has led to substantial wins for firms, with those using AI **reporting saving** an average of **18 hours per week per employee**. At the same time, firms in the top 41% of technology adoption **generate 29% more revenue** per employee than those slow to adopt digital tools. There are several ways firms are using technology to streamline their operations, improve employee productivity, and **accelerate growth**. Many are leveraging AI to outsource time-consuming and repetitive tasks and to free up professionals' time for more strategic work. Others are using technology to accelerate their marketing and sales efforts, with some are using relationship intelligence tools to enhance the client experience and grow their customer connections. "To be successful, firms need to have a technology roadmap in place," Adam Klein, Head of Industry, Accounting and Advisory at Introhive says. "They really have to understand the implications of technology across their organization."

However, AI adoption in accounting firms comes with challenges. The partnership structure spreads decision-making across multiple stakeholders, complicating firmwide alignment on new technology initiatives. Combined with the profession's strong emphasis on accuracy, compliance, and risk management, firms are naturally cautious when it comes to emerging technologies, which makes it essential to align AI strategies with both firm governance and professional standards.





"Many accounting firms are still in the early stages of their CRM journeys. Because the profession hasn't had as many established use cases to draw from, it's not surprising that cultural and data-related challenges can emerge during digital transformation efforts. These hurdles can sometimes get in the way of realizing the full potential of CRM initiatives, but they also offer valuable insights that help firms build more effective, better-aligned solutions over time. Addressing these challenges becomes increasingly important as firms grow, especially as strategies like cross-selling come into focus more. Without a strong foundation of clean, connected data, it becomes much harder to support scalable growth. The same applies to AI initiatives, which many firms are beginning to explore. Without the right data infrastructure in place, it's difficult to turn those ambitions into meaningful outcomes. Ultimately, success with these tools starts with getting the data right."

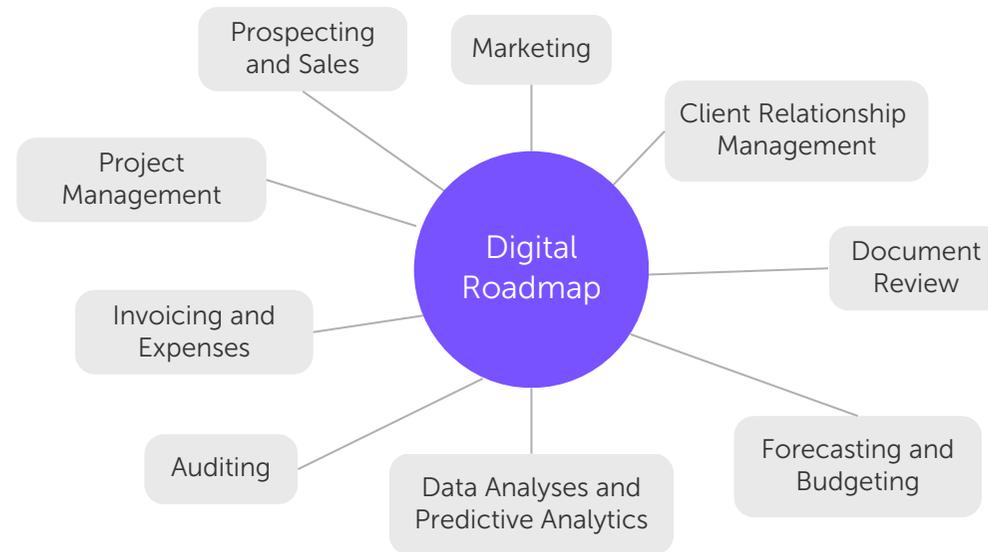


Jonathan Drechsler,
Senior Account Executive,
Introhive



Accounting AI implementation

When implementing a digital roadmap, firms should ensure a robust data foundation to maintain data accuracy, consistency, and security.



Build client relationships

Firms embracing a digital awakening through AI and relationship intelligence are empowered to grow and nurture their customer relationships with precision and ease. Many firms that use AI-based digital tools and analytics see substantial gains when it comes to strengthening their [client relationships](#), including increased retention, reduced churn, and a rise in cross-selling and upselling opportunities. For instance, firms highly committed to leveraging client analytics were **23 times more likely** to outperform competitors on client acquisition, **6.5 times more likely** to retain clients, and **19 times more likely** to achieve above-average profitability. "Firms are now using AI-driven relationship intelligence and other advanced technologies to help them grow their business by looking at their existing client base and identifying potential sales opportunities," Klein says.

Private equity and M&A

Private equity interest and M&A activity in the accounting profession has significantly accelerated since 2020. In the first 11 months of 2024, [global private equity](#) and venture capital-backed deal value hit **\$6.31 billion**—the highest since 2015. Experts also expect that more than half of the U.S.'s [largest 30 accounting firms](#) will sell an ownership stake or part of their business to private equity investors by the end of 2025, highlighting the growing appeal of accounting firms as stable, high-margin investments. At the same time, [M&A activity](#) is strong, with the sector announcing **70 deals year-to-date** as of August 2024—a decline from 74 one year prior.

How private equity is reshaping accounting firms

Accounting firms accepting private equity investments are obtaining [greater access to resources](#) to expand their services, invest in new technologies, and enter into new markets. Private equity firms also often support accountancies with **operational expertise and strategic guidance**, which helps improve the client experience and allows firms to stay competitive. In a profession struggling with a [talent shortage](#), private equity capital injections help accounting firms **retain and attract talent** by giving them the ability to offer lucrative compensation packages. “Whether firms are planning to take private equity or not, they have to be more technologically proficient to be effective and competitive in the market,” Klein advises. “What we’re seeing is that firms taking private equity are doubling down on technology.” Beyond immediate deal activity, private equity’s growing interest is pressuring firms to modernize their governance, compensation, and operating models and to focus on increasing enterprise value—even if they’re not actively pursuing a sale.



Attracting private equity investors

Many firms embracing digital transformations with client intelligence experience a competitive edge through:

- ✓ Enhanced market positioning
- ✓ Improved operational efficiency
- ✓ Stronger client relationships
- ✓ High revenue growth

Tech-mature firms earn up to

39%

more revenue per employee

Source: Rightworks

Impacts of M&A

Accounting firms with **well-integrated digital strategies** are prime candidates for M&As due to their potential to scale, improved operational efficiencies, and increased profitability. For example, **46%** of firms find **client data** strengthens their brand's reputation, while **42%** say it helps them develop new services and products, **32%** find it supports client acquisition, and **37%** say it boosts sales. "Generally speaking, firms that are active acquirers are also looking for firms that are more digitally advanced than they were five years ago," Klein says. "Acquiring firms are getting more sophisticated in how they evaluate prospect firms by digging more into their client base, where there's cross-selling opportunities, and what the client experience looks like." An interest in more technologically mature organizations means firms using client intelligence will set themselves apart for a potential M&A.



As firms see more and more of their competitors backed by private equity, many are starting to wonder: Can you really stay independent—and if you can, is it the right move? With the landscape shifting so quickly, it's hard to say whether independence will still be a viable option five years from now. In some cases, it could be, especially if a firm is able to carve out a differentiated approach, perhaps through a more focused, relationship-driven client model. But that path also brings new challenges: What scale is sustainable? And how do you attract and retain top talent without offering the kind of financial incentives that come with outside investment? These are strategic considerations that go beyond funding and that speak to the future shape and values of the firm."



Brett MacDonald,
Senior Account Executive,
Introhive

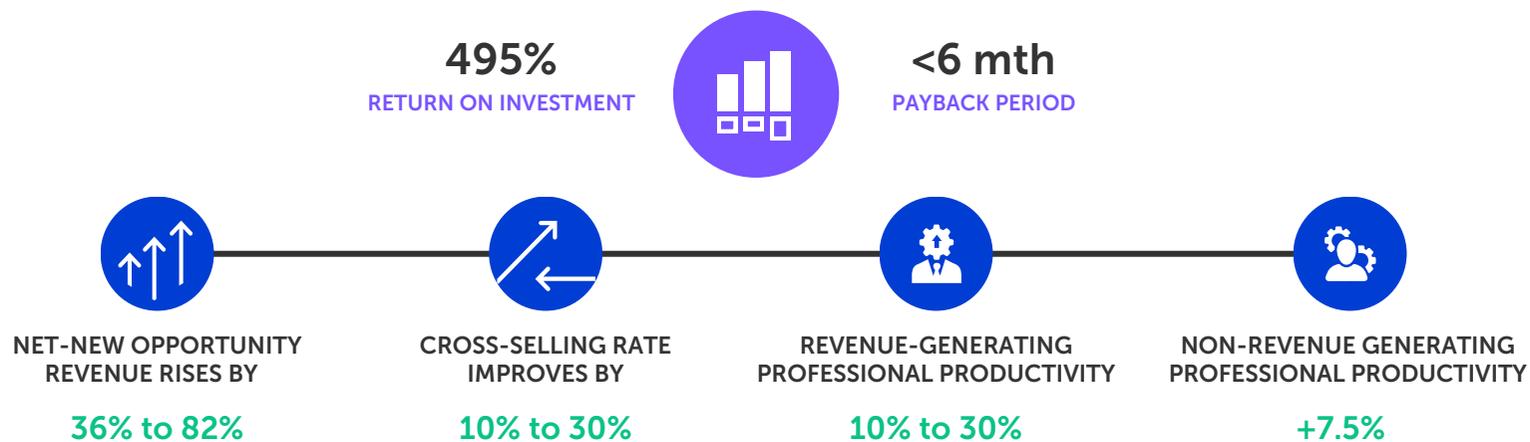


3 Service line expansion

Many forward-thinking accounting firms are exploring how to **grow and expand** into new service lines and geographies to drum up more business and drive revenue. This shift is being driven by the fact that traditional audit and tax services are becoming increasingly commoditized and less profitable than they previously were. As a result, firms are being forced to rethink their service offerings and shift toward higher-margin advisory work that ideally makes up **30% to 50% of total revenue**. This strategic diversification is leading to greater profitability potential, with the **Big Four** accounting firms seeing a revenue **increase of 274%** over the last 15+ years and achieving **combined revenue of \$212 billion** in 2024. For smaller firms, service line expansion is often supported by private equity investment and M&As due to the fact that scaling beyond traditional accounting work requires significant capital, technological upgrades, and talent acquisition.

Using technology to grow

Many accounting firms are leveraging client data and relationship intelligence technology to help them expand into new service lines and grow their business. “The best way to determine how to cross-sell to clients is through collaboration,” Klein says. “That’s why we’re increasingly seeing firms utilize a **One Firm** approach and is why enterprise client intelligence platforms are having a bigger impact than ever before.” Client intelligence software automates *white space analysis* by allowing firms to objectively assess their organizations’ relationships and identify gaps in service delivery. This helps firms propose new solutions and address unmet client needs. The benefits of client intelligence tools have been proven, with firms using **Introhive** seeing a **30% increase** in internal referrals and cross-selling revenue.



4

Retain important clients

As the accounting profession continues to evolve, firms are placing greater emphasis on **client retention** to ensure long-term stability and revenue growth. This shift has led many firms to enhance their **client experience** by refining their service offerings, strengthening customer communication, and delivering more personalized solutions. In the U.S., firms that **prioritized their client experience** saw **double the revenue growth** compared to those that did not focus on the customer journey between 2016 and 2021. Additionally, firms with **client-centric strategies** have demonstrated a direct link between retention and profitability—a **5% increase in retention rates can drive profit growth of up to 95%**. To create an exceptional client experience and improve retention, many firms are **leveraging client analytics and relationship intelligence** to anticipate client needs, personalize interactions, and build strong, long-term connections.





Becoming a trusted advisor

While clients previously relied on accounting firms to assist with financials and auditing, they're now looking for more **strategic support** that can inform other areas of their business. "Clients of all shapes and sizes are looking for more than what accounting firms have provided," Klein says. "Clients want help shaping and driving their business success. While speed, efficiency, and effectiveness are table stakes, clients increasingly expect accountants to **consider the bigger picture** and be proactive, creative, and strategic." To strategically craft new offerings, individual advisors are **collaborating** cross-functionally to deliver clients value as **One Firm**. Collaboration has been proven to increase client satisfaction, with **first-time-right delivery** rising to more than **80%**, up from a previous 65%. By improving the client experience, accounting firms build **trust and loyalty**, cementing their roles as important company advisors.

Birds-eye view of client relationships

To retain high-value clients, it's essential to be on-the-pulse with your customer relationships by delivering **timely responses, forward-thinking insights, and personalized solutions**. Relationship intelligence technology supports firms looking to strengthen their client connections by providing them with an objective, holistic view of their **firm-wide relationships** and **regular, on-demand client updates** that ensure advisors stay ahead of the curve. The benefits of client intelligence have been proven, with **76% of leaders** saying access to quality data plays an important role in **business performance** — specifically as it relates to client satisfaction and loyalty, revenue, operational efficiency, and the ability to introduce new services.

5

Increase firm profitability

As client demands change, many accounting firms are looking to increase their revenue and profitability through **cross-selling and upselling**. That's because acquiring a new client can be between **5 to 25 times more expensive** than retaining an existing one.

"Firms are recognizing they have to sell more to their existing clients and that their business model will likely shift to fewer clients and higher-profit services," Klein says. The benefits of cross-selling and upselling are evident, with research finding **cross-selling** increases firms' sales by **20%** and profits by **30%**, while upselling **increases customer lifetime value by 20%**. To identify potential cross-sell and upsell opportunities, firms are using client intelligence, ultimately allowing them to grow their profits and ensure long-term growth.

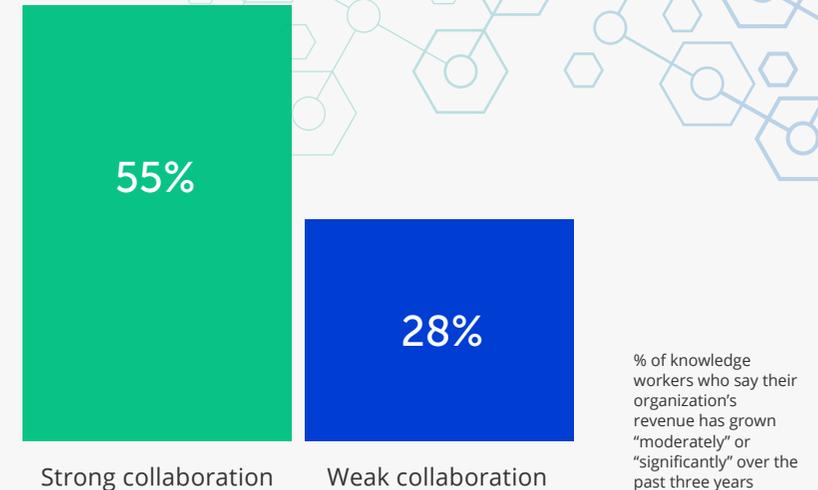
Additionally, many firms are rethinking their business-development models. While the traditional seller-doer model dominates, firms are beginning to train associates in business development or hire dedicated sales professionals.

Relationship intelligence and data-driven insights support these approaches by helping team members quickly understand client history, relationship depth, and additional revenue opportunities.



Support firm-wide collaboration

Cross-functional collaboration is a proven tool for **driving revenue** at accounting firms. Between 2020 and 2023, **55%** of employees at collaborative firms reported **revenue growth**, compared to 28% at non-collaborative organizations. “Firms need to figure out how to sell clients multiple services, and the best way to do that is to **collaborate internally, share insights, and introduce new solutions together**,” Klein advises. Up-to-date relationship intelligence equips advisors with the necessary tools to identify service delivery gaps and understand how to best collaborate to deliver unprecedented value. By leveraging client intelligence and fostering a culture of teamwork, accounting firms can unlock **new revenue opportunities, streamline service delivery, and strengthen client trust**.



Target high-value clients

Research has found firms' **top 10%** of clients often spend **three times more** than the remaining 90%, making it essential for firms to prioritize their client experience. By leveraging relationship intelligence and data-driven insights, firms can **identify and nurture high-value clients, ensuring personalized service, proactive engagement, and tailored offerings**. “Too many firms suffer from having too many low-value clients and transient client relationships,” Klein says. “To fix this, they need to sell more to high-value clients. Part of that is by growing their existing services or introducing more high-value services to clients.” By focusing on high-value clients and expanding strategic service offerings, firms can drive higher revenue per client and increase their profitability.

Benefits of client intelligence

- ✓ Identify high-value clients
- ✓ Uncover hidden cross-sell and upsell opportunities
- ✓ Strengthen client relationships
- ✓ Enhance data-driven decision-making
- ✓ Increase revenue and client retention



Become an industry leader

As the accounting profession undergoes rapid transformation, firms that embrace **digital innovation, client intelligence, and strategic expansion** will position themselves for long-term success. The rise of AI, data analytics, and automation is redefining how firms operate, shifting them from compliance-driven providers to forward-thinking advisors. At the same time, private equity interest and M&A activity continue to reshape the profession, providing firms with new growth opportunities.

In 2025 and beyond, experts anticipate firms will continue leveraging relationship intelligence to **enhance client retention, drive cross-sell and upsell opportunities, and strengthen firm-wide collaboration**. Those that prioritize high-value clients, invest in technology, and foster a culture of adaptability are best-positioned to lead the profession's next evolution. By embracing current trends, accounting firms can stay ahead of disruption, deliver unparalleled client experiences, and drive sustainable revenue growth in an increasingly complex market.



Why Introhive?

Introhive is a leading Relationship Intelligence platform that empowers accounting firms to stay competitive.

- 1 Embrace a digital transformation with relationship intelligence and high-quality client analytics.
- 2 Attract acquirers and private equity investment with a client-centric, digital-first approach.
- 3 Expand into new markets and service areas with detailed client insights.
- 4 Retain high-value clients through timely updates and on-demand client information.
- 5 Grow revenue by identifying cross-selling and upselling opportunities.



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Our Contributors



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Adam Klein is Introhive's Head of Industry, Accounting & Advisory. Most recently, Adam served as Chief Growth Officer at Top 75 US firm, Bennett Thrasher, where he led transformative growth strategies, strengthened global strategic partnerships, and implemented critical business development, sales and marketing initiatives. Adam has also held leadership roles at Top 25 US firm, Aprio and is known for his deep industry insights, relationships, and ability to foster success in a complex and rapidly evolving market.

In addition to his accomplishments inside leading accounting firms, Adam has been a notable champion for accounting and advisory firm growth as an active leader and speaker with the Association for Accounting Marketing (AAM), numerous industry groups, and international associations and alliances.

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As an Industry Director at Introhive, Jonny brings over 15 years of experience in sales, strategy, and business development, specializing in driving growth for SaaS platforms that leverage cutting-edge AI and machine learning.

Over the last 15 years Jonny built and delivered successful go to market strategies across a number of start-up (Astream/Recordsure) and blue chip (PwC) organisations, so is well positioned to understand the challenges and opportunities that both bring.

Passionate about empowering teams and fostering innovation, Jonny is motivated by enabling businesses to optimize their processes and more effectively deliver their growth strategies.

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