

# Any practice can grow by advising

Concrete ideas for offering  
more advisory to clients.





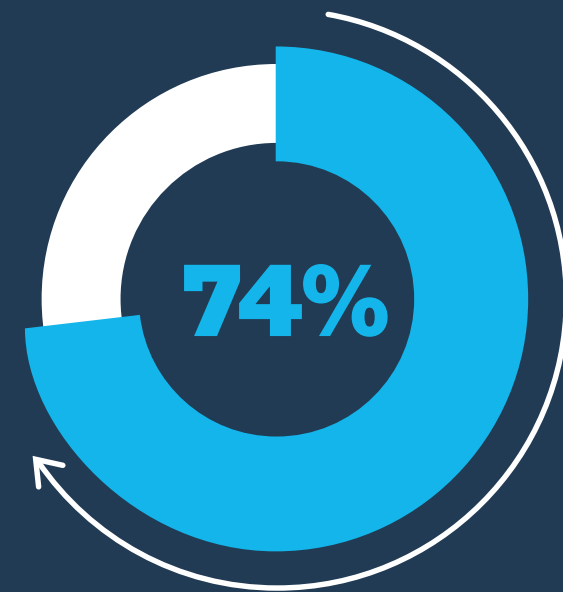
## Let's get you advising

**Congratulations on your ambition to grow your practice. Growth may mean something different to everyone – perhaps you want to see higher profit per employee or maybe you just want more stability so you can afford time off. Whatever your growth goal, this guide can get you started.**

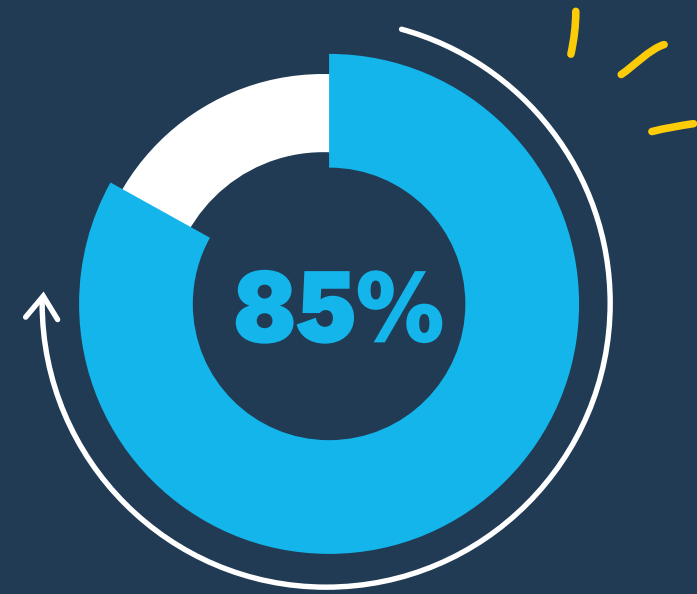
The path to a larger and more stable firm probably involves more advisory and more artificial intelligence (AI) no matter which way you swing it. Accountants in our latest State of the Industry Report said those were their top two opportunities over the next few years. Those two topics are also related – AI and advisory support each other. Anything that automates mundane tasks can free your team to do more advising, and doing more advising helps your team ask better questions to pull better insights out of AI tools. Both help you grow.

Wherever you're starting from and with whatever team you currently have, this guide can help you define your growth goal, mission, offerings, staffing, and the technology needed to make it all work.

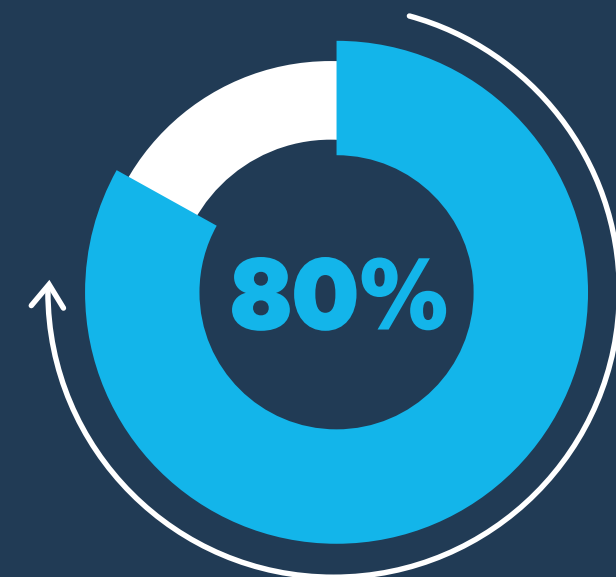
The Xero team



of firms reported higher revenue over the past 12 months



of firms offer client advisory



of practices feel AI will have a positive effect on their practice

# What's inside

**Five chapters with everything you need to build an advisory practice.**

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## CHAPTER 1

# Define your growth goal





**In this chapter, you'll write down your growth goal.**

A growth goal is a one-sentence definition of what specifically you hope to achieve by growing. Growth can take different forms. It could mean expanding your client roster, hiring, increasing profits, or a combination. It's important to define because you could hire people only to realize that what you actually wanted was profit, and it isn't easy to backtrack.

Aim for a sustainable amount of growth – adding enough revenue, ability, and efficiency so your practice generates more money, but not so much it grows unstable and you create new issues.

**What's your growth goal?**

If you want to...	Then...
Earn more	Increase profit
Have more options	Increase revenue
Prepare for long-term	Find more clients
Expand your offerings	Add employees

You may want to grow in multiple areas, but to start, focus on one. A singular goal is more attainable, and as you see success there, you can branch into others.

As you probably tell your own clients, you don't necessarily have to increase revenue to increase profit. That can come from greater efficiency, as when a practice standardizes on one type of cloud accounting software and can automate reconciliations in a way that allows you to serve more clients. More profit can also come from cycling out low-paying clients or cross-selling advisory services to your existing client base, which is what nearly all practices are now doing.



### Advisory is a big growth opportunity

Our latest State of the Industry Report identified a curious trend: While 73% of practices grew their profit last year, just 56% added more clients. This means firms were selling more to existing clients. Likely, those services had higher margins – such as advisory.

With advisory, your firm gets paid for your knowledge, not your time. That means higher pay per time worked and increasing pay as you grow smarter as a firm.

From the State of the Industry Report 2025

### What accountants say about advisory:



It's the **highest-margin** service



**85%**  
of firms offer advisory – it is tied with bookkeeping



**91%**  
say it makes them look more knowledgeable



**90%**  
say it helps with client retention



**79%**  
say it helps them find new clients



Meanwhile, accountants say AI will help automate routine tasks like reconciliations, invoice processing, compliance work, data entry, and planning. These two tools – advisory and AI – work together. The more you advise, the better you can prompt AI tools to generate useful reports or reconcile accounts. And the more you use AI, the better you can advise your clients, who are also trying to make their own businesses more efficient.

We call it the “advisory opportunity” because that’s what clients see. But it’s really advisory, AI, and the benefit of using them together.



### What is the advisory opportunity?

It’s using business and financial advice built on top of recurring bookkeeping, outsourced accounting, and payroll, to help your clients achieve financial stability, growth, and long-term success.



### Is my firm qualified to advise other businesses?

Yes. You have accounting knowledge and insights that many business owners will find valuable. Further, accounting firms are themselves businesses. Much of what you have learned in managing, hiring, and workflows applies to other businesses.





# Putting it together



We encourage sustainable practices. Please consider using a note-taking app or notebook to complete this guide instead of printing it out.

## Let's recap what you've developed so far

**You aim to grow primarily by adding:**  
(circle one)

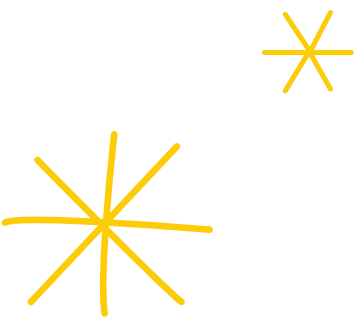
Profit

Revenue

Clients

Employees

**Next,**  
you'll decide what that growth goal helps you achieve.





## CHAPTER 2

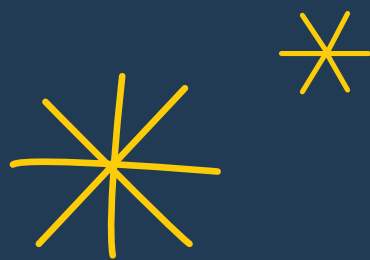
# Write a mission statement





**Now that you've identified your growth goal, it's time to share that goal with your company. This is where your mission comes in – your reason for the goal and how you plan to achieve it.**

Your mission could simply be, “Make more money,” if everyone finds that motivating. But likely, your people will feel more inspired if their work is contributing to something greater.



Purpose matters because as you grow, you'll become more removed from the day-to-day. Others will need to know how to answer questions in your absence. The mission is your stand-in. It's a rubric everyone can hold their work up to and ask, “Does this contribute, yes or no?” Over time, that can create a culture where people feel connected and empowered.

Your mission must be rooted in truth and ambition for your business. Good ones come from within. It's something you already do that you want to do more of.



### What is a mission?

A mission is something you aim to help customers achieve that is bigger than your product or service.

### ✧ Exercise: Ask three team members, “What’s our mission?”

If all answer differently, it means you probably could use one – or a stronger one. For comparison, look at the missions of companies you admire.

Here are a few starter mission statements to build upon:

- We help individuals live life fully before retirement
- We want every small business to be profitable
- We make tax savings accessible to all

Pick one that’s true to you and try it on for a while. Do you find it helps you make decisions? Do people get excited hearing it, employees included? If so, you may have a winner.



#### Good missions aren’t about the product

- Nike wants to help athletes
- Apple wants to fill the world with pleasing design
- Banks offer financial autonomy







# Putting it together

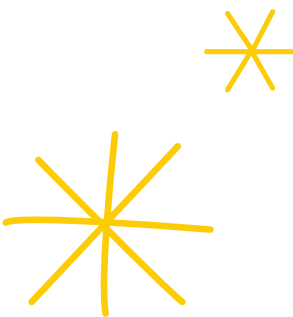


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## Let's recap what you've developed so far

Write out your mission statement:

**Next,**  
you'll select your offerings, think about staffing, and confirm you have the correct technology.



## CHAPTER 3

# Select your advisory offerings





There is no one generally accepted definition of advisory. You can think of it as whatever clients pay you for that relies more on offering your knowledge than on completing tasks – even if you deliver some services along with it. For example, tax preparation is not advisory. But tax planning is. Bookkeeping is not advisory, but telling the client how to set up an automated accounts receivables process is.

Lines of advisory		
	<b>Financial advisory</b> <i>Can blend into regular accounting</i>	<b>Business advisory</b> <i>Typically distinct from accounting work</i>
<b>Common</b>	Cash flow forecasting Budgeting Business insights Benchmarking	Business insights
<b>Less common</b>	Financial modeling Preparing financial statements Managing spend Tax advisory	Fractional or virtual CFO Controller Business planning and structure Operational insights Succession planning Human capital Market analysis Workflows, apps, and software

✧ **To choose your first advisory offering:**

**1. Begin with a service line that feels easy**

Start with something simple that you already do today, such as budgeting.

**2. Consider where you can most easily expand**

What can that existing service line lead to? What are employees excited to be more involved in and how does that overlap with what clients are asking for? For instance, if you already do budgeting and clients want more self-serve dashboards, how can you transition into offering benchmarks?

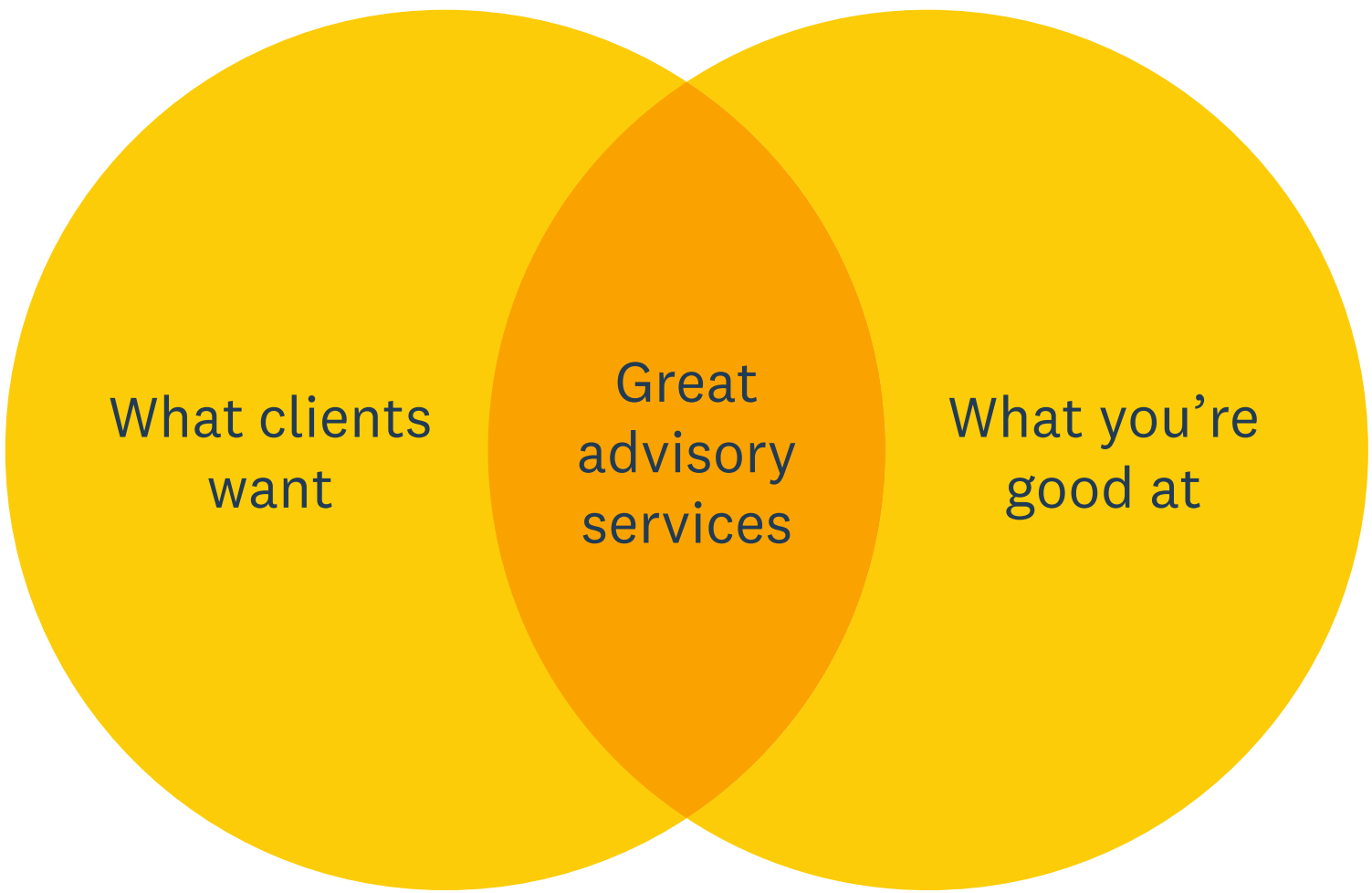
Good initial advisory offerings are usually based on a question clients often ask and that you feel comfortable answering. Many accounting practices already advise – they simply don't charge for it. They think of it as just part of account management.



**Figure out what questions clients ask**

Launch an AI notetaker app to record all your practice's calls securely and ask it to summarize clients' most common or important questions. Listen to your team's answers. What advice do they already offer?

**Great services exist at the center**



“

**Top reasons for offering advisory:**

- 1. Clients were asking for it
- 2. It helps satisfy the client's needs
- 3. It helps retain those clients

From the State of the Industry Report 2025





# Putting it together



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## Let's recap what you've developed so far

Make a list of your top advisory offerings:

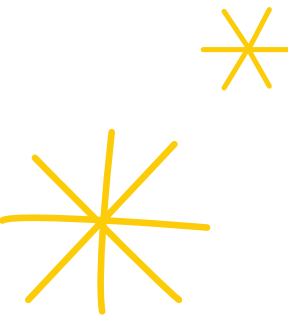
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Next,  
you'll learn how to hire the right people for advisory roles.





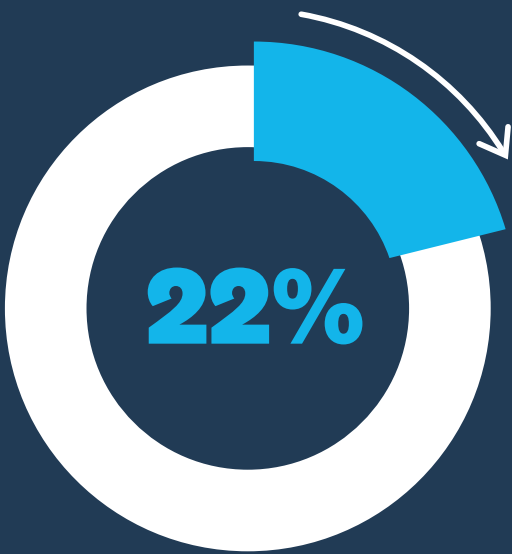
## CHAPTER 4

# Hire the right staff and management





People are essential to great advisory. Whether you're just starting to form your advisory team or helping existing staff grow into this role, this chapter explores what it takes to advise and how to prepare your team for success.



of practices say a top challenge is training and recruiting skilled staff

From the State of the Industry Report 2025

Good advisor accountants have a somewhat different skillset. Start by writing a job description of the type of advisor you want. Take your current job description and simply modify it to prioritize people skills.

Accountant	Advisor accountant
Financial reporting	Client management
Bookkeeping and ledgers	✖ Business strategy
Budgeting and forecasting	✖ Tax advisory
Tax preparation	✖ Human capital
Financial analysis	✖ Market analysis
Client management	✖ Apps and software
	Budgeting and forecasting
	Financial analysis
	Financial reporting

When hiring for an advisor, prioritize people skills and their ability to build and maintain trust. If they are less strong in areas like financial analysis and reporting, they can get support from someone else in your practice who prefers that work.



### Build your hiring process to select good candidates

Your hiring process should reflect your working process. If you are hiring for studious, detail-oriented individuals who'll triple-check the books, a complex application process may benefit you. Whereas if you are hiring for gregarious, trustworthy, relationship-builders, you might simplify the first qualification and get them on a phone interview faster.



**Ask yourself:**

What traits are we hoping for? How can our process actually test for those?



### But what if you aren't getting the right candidates?

Change is an inside job. You are better able to attract and hire the right talent when your existing culture and work processes are healthy enough for that person to want to work there. If you haven't already, conduct a survey to ask employees:

1. Do you feel fulfilled by your work?
2. Does your workload feel manageable?
3. Do you feel connected to your coworkers?
4. Do you feel invested in the mission?
5. What should we improve or focus on?

That baseline may provide insight into ways to improve the culture.

### Have your advisors build the advisory offering

Advisory is an offering you can build progressively, either by giving an existing employee a chance or by hiring an advisor and having them shadow accountants and client managers to see where they fit. Create a deck, decide what the parameters are, and figure it out together with your advisors, project by project.

You will know the offering is working when your people are happy and the client is pleased to pay for those insights.







# Putting it together



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## Let's recap what you've done so far

Write the top five skills you expect of your accounting advisors, as the start of a new job description. For example:

- 1. Client management
- 2. Business strategy
- 3. Tax advisory
- 4. Human capital
- 5. Market analysis

1. \_\_\_\_\_

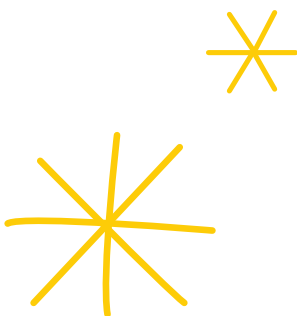
2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

**Next,**  
we discuss upgrading your technology, and then you're on your way!



## CHAPTER 5

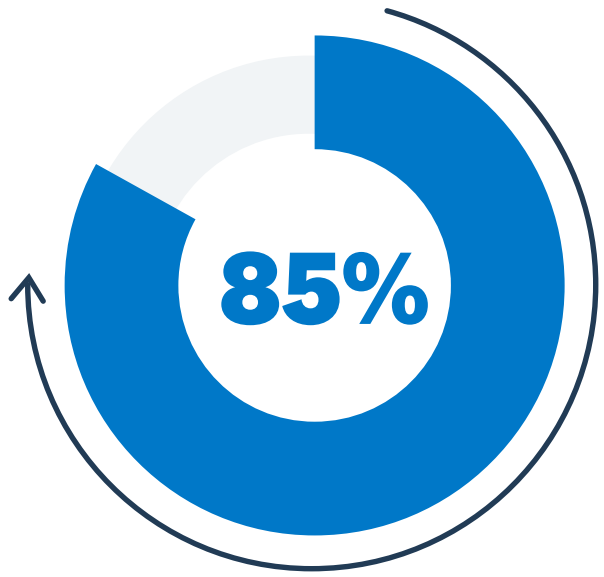
# Upgrade your technology





**For your accountants to act as advisors, they must be freed of day-to-day accounting tasks. They need a deep understanding of the client, but an overall understanding of that business so they can “pattern match” and solve problems they’ve already seen before.**

There really is no way to do this these days without software. Just like office furniture, you can think about software as having ergonomics – some types fit great and some strain your eyes and back. For example, slow accounting software and practice management systems that force your team to do things inefficiently cost you time and money. If your advisors can’t simply scan a document with their phone and have it auto-load data into a client’s ledger, your software is behind. And if they can’t chat with that ledger in plain language to ask it to find a particular invoice, you might save a lot of time by switching.



of practices use cloud accounting software

**Top benefits:**



Access client data remotely



More secure

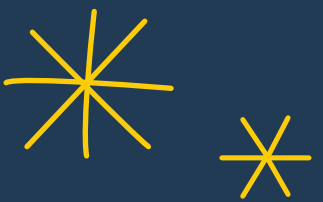


Supports flexible work

[AI-powered accounting software](#) can free up accounting professionals to advise. It can also offset areas good customer-facing accountants are not as strong in, like local tax laws or international treaties, which they can simply look up.

AI use cases to try:

- Auto-recording meetings to pull transcripts
- Generating post-call summaries for all attendees
- Summarizing many meetings over time to surface insights
- Creating AI agents to run quality assurance on balance sheets
- Auto-categorizing and reconciling transactions
- Reconciling invoices
- Accounts receivable workflows
- Generating forecasts
- Analyzing documents
- Looking up tax laws



Some accountants might wonder, are we being replaced by AI? But according to our State of the Industry Report, 80% of practices feel AI will have a positive effect. 32% are planning to use AI and other machine learning technologies to automate routine tasks.



### Always double-check AI-assisted work

Your clients want to rely on you for having the right answers and standing behind them.

### Action: Create an AI use policy for your firm

This is actually a great opportunity to try AI. Use an AI app to generate your policy, then verify and rewrite as needed.



# What effect do you think AI will have on your practice?

(From the State of the Industry Report 2025)

“

*Adapting to artificial intelligence will be risky, but it's going to be grand.”*

“

*AI would give accountants more time to focus on complex work that requires critical thinking and creativity.”*

“

*It will get people's taxes and other inquiries done faster, and more precisely than by humans.”*

“

*Just its ability to quickly analyze large amounts of financial data and automate audit procedures.”*

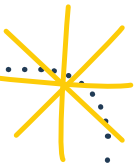
### Good software makes clients happier

Having a software clients actually want to use is invaluable. Accountants tell us that's one of the top reasons they chose Xero: The language is in terms their clients understand like “spend money” and “receive money” and it means clients actually adopt it.

“

*Xero's terminology for things just makes sense to clients. They don't want to hear the accounting terminology, they want the words they understand like 'spend money' and 'receive money.'”*

**Stephanie Schuchardt**  
Partner at Carr, Riggs & Ingram



“

*I love Xero because it's easier to use and navigate. They were first to launch features like bank feeds and it makes it really easy to reconcile check payments – no doubly counting revenue. That saves companies a lot of time and it makes their accountant look good.”*

**A large practice surveyed in the 2025 State of the Industry Report**



### Good software also provides advisable insights

Behind AI and automation, practices say the second biggest opportunity for their firm over the next one to two years is “real-time financial reporting and insights.” This is already possible in everyday large language model (LLM) software such as Claude and ChatGPT. Users can chain multiple AI “bots” together and have them check each other’s work or generate suggested insights from a PDF report. Your advisors must still check the results, but it saves time today and may only grow more useful.

If your practice invests in strong, time-saving cloud software that allows you to experiment with AI, it can help advisors provide more insight.

“

*AI can significantly streamline repetitive tasks like data entry, invoice processing, and reconciliation. This reduces human error, increases efficiency, and allows our team to focus on more strategic work.”*

**A large practice surveyed in the 2025 State of the Industry Report**

### How is your practice using or planning to use AI?

*Respondents could select multiple*

Column %	Total
To deliver faster and more responsive client service through AI-powered tools (e.g. chatbots, virtual assistants)	33%
To improve accuracy and reduce errors in bookkeeping and accounting tasks	33%
To automate routine tasks (e.g. data entry, bank reconciliation, invoice processing)	32%
To assist with strategic planning and business forecasting for clients using predictive analytics	30%
To identify and mitigate financial risks for clients through AI-driven predictive models	29%
To upskill staff by integrating AI tools and processes into workflows and training	27%
To streamline tax compliance and regulatory reporting using AI	27%
To enhance decision-making through AI-driven insights, forecasting, and analytics	25%
To reduce costs on staffing, resources, and operational efficiencies	24%
To attract and retain tech-savvy clients by demonstrating the use of advanced AI tools and technologies	24%
We are not using AI yet but plan to adopt it in the future	6%
We have no plans to adopt AI	2%

How is your practice currently leveraging/planning to leverage AI? Base size: Total (250).



# Putting it all together



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**You aim to grow primarily by adding:**  
(circle one)

Profit  
Revenue

Clients  
Employees

**You have decided that your mission is:**

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**Your top advisory offerings are:**

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**You have written the top five skills  
you expect of your client advisors,  
as the start of a new job description:**

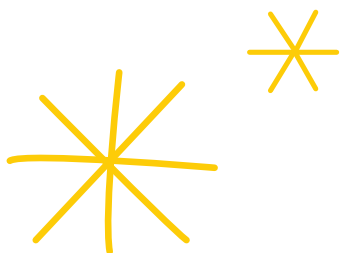
**You have selected the right tools:**

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**Great work,**  
you have everything you need to do more  
advising.





# Time to get you advising

**There are many ways to grow your firm. You can start with growing revenue, then you can switch to growing more efficiently to drive more profit. The more you can understand that initial ambition at the outset, the better you can guide everyone in your practice and make it a success.**

The road from here is not always straightforward. Not every practice has clients actively asking them questions, and others may find their clients' business models do not lend themselves to advice. The value of this guide is what you do with the information in the context of your actual practice and your real customers.

We know from working with thousands of accounting practices that there is a reason 85% of firms now offer some form of advisory and say it is the highest-margin service. Somewhere out there, there are businesses reeling from years of high interest rates and volatile costs that need an advisor.

If you've decided that's your kind of growth, that advisor could be you.



## About Xero

Xero is powerful, easy-to-use cloud-based accounting software that gives companies a clear view of their financial position, and lets accountants and bookkeepers collaborate online with their clients.