An Industry in Transition: Trends in Accounting

Emerging trends and the changing needs of businesses are driving accounting firms to create new strategies, move beyond traditional services and add incremental revenue streams.

55% of accountants expect traditional revenue streams to dry up in the near future.

78% say they need to move beyond traditional services to survive.

At the same time, 57% of businesses say they are not fully utilizing all of the services and insights their accounting firm can provide.

Business needs are evolving:

1. Tax Services
   - 64% of accountants think that three years from now, accounting software will allow traditional accountant work to be handled by non-experts BUT...
   - 70% of businesses say automation of accounting has not eliminated the need for accountants and 66% expect that tax laws will become more complex.

   Challenge: Older accountants still rank tax services as #1 on delivering ROI for their firm, whereas millennial accountants believe it is #5.

2. Consulting Services
   - Over 90% of businesses are interested in consulting/advisory service offerings.
   - 62% would like to receive HR/Talent Management insights from their accounting firm.

   Challenge: Accountants are more likely to offer or plan to offer services than to say they or their staff have the skills to deliver on these services.

3. Integration
   - The average accounting client uses FOUR software systems to manage payroll, HR, HCM, time and labor, talent and finance.
   - 96% want at least two systems integrated.
   - Integration priorities:
     - 57% payroll
     - 48% finance
     - 44% time
     - 43% HR

72% of Millennial accounting firm decision makers already offer or plan to offer HR/Talent Management consulting services — compared to just 62% of Gen X and 34% of Boomers.

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