



Professional Services

Reimagining Audit, Tax, & Advisory

The Revenue Growth Imperative

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Introduction

The Audit, Tax, and Advisory profession is undergoing a seismic shift—one unlike anything seen in the past 150+ years. The catalysts for change are *rising client expectations* and *breakneck technological advancements*. Clients are demanding advanced capabilities, personalized insights, and tangible value from their accounting and advisory firms. At the same time, transformative technologies—Artificial Intelligence, Robotics Process Automation (RPA), Natural Language Processing (NLP), data analytics and Generative AI (Gen AI) are disrupting legacy models, redefining service delivery, and opening doors to entirely new product and service offerings.

To accelerate the deployment of these transformative technologies many of the top 50 firms (beyond the Big Four, Deloitte, EY, PwC, and KPMG) have secured Private Equity funding, fueling rapid expansion through acquisitions. Armed with deep capital reserves and leaner operating structures, these PE-backed disruptors are modernizing service delivery, broadening their offerings, and putting pressure on industry incumbents. Initially, firms focused on acquisition to drive top-line revenue growth, and technology-driven efficiencies—automation, offshore labor arbitrage and streamlined

operations—to boost margins. However, as EBITA multiples soar for new M&A activity, the real challenge ahead is accelerating revenue growth. The firms that will be successful will be those that can “reimagine” the entire business and reinvent themselves.

“Reimagined” Audit, Tax and Advisory Firm

As the forces of change transform the industry, the “Reimagined” Audit, Tax and Advisory firm will need to operate fundamentally differently in terms of *people, products & services, process, and pricing*.



People: Redefining Talent

In professional services, talent remains the ultimate differentiator—but the roles, skills, and strategies for success are rapidly evolving. To thrive in this changing landscape, Audit, Tax, and Advisory firms must reimagine how professionals deliver value, build client relationships, and drive business growth.

Skills & Capabilities - The "workforce of the future" will demand a new blend of expertise:

- *Leadership with Innovative Capabilities* – Leadership will play a critical role at the "reimagined" firm as they will champion transformation with a bold vision and relentless execution. The most effective leaders will architect the future, assemble the right talent, secure funding, and embed innovation into the firm's DNA. They will drive cultural and organizational alignment, foster agility and collaboration and enable teams to embrace new service models with confidence.
- *Cross-Service Line Expertise* – The era of rigid service line specialization is fading. Professionals will need to evolve into strategic generalists, equipped to serve as *valued advisors*, help clients with insights, be proactive in value creation, and optimize revenue and business growth while seamlessly bringing their firm's capabilities to better meet client needs.
- *Mastering Selling & Cross-Selling* – As service delivery becomes increasingly automated, senior Partners, Principals and Managing Directors (PPMDs) will need to move away from service delivery and sharpen their ability to *sell* and *cross-sell* solutions, elevating the PPMDs role as an essential valued advisor and business partner to his or her client.
- *Leveraging Business Development Professionals* – The firm will utilize Business Development professionals for selling firm's capabilities to smaller clients, and for outsourced and managed services, while leveraging PPMDs to focus on the mastering selling and cross-selling to the higher value clients.

- *Digital Fluency as a Competitive Edge* – The ability to leverage AI, automation, and analytics will be non-negotiable, enabling professionals to deepen relationships and drive tech-enabled advisory services.
- *Expanded Technical Acumen* – Skills in technology, data science, and advanced analytics will be vital—not just for clients' evolving needs, but for optimizing the firm's own operations.



2. **Staffing Model** – The traditional staffing pyramid will need to be reimaged:
 - *Rethinking Professional Levels* – With automation handling routine tasks, firms will reduce junior staff while elevating high-impact, senior professionals capable of delivering strategic insights and revenue growth.
 - *Fewer, But More Strategic Senior Professionals* – Trusted advisors with industry expertise, business acumen, and cross-selling ability, will become central to the firm's success.
 - *Specialized Career Paths for Outsourced / Managed Services* – Outsourced and managed services will require creating distinct career paths, ensuring that professionals delivering high-volume tasks have clear advancement opportunities.

- *Global workforce integration* –The technical resources required in this new-era will drive changes to staffing and engagement team assembly. To effectively leverage offshoring, the ability to cast a wider net for technical resources and integrate them into a global workforce to meet the needs and demands of clients, will continue to rise.
3. **Compensation Structure** – The traditional partnership model will need to evolve:
- *Revenue-Sharing Across All Levels* – Compensation must reflect total firm success, in addition to individual performance, allowing professionals at more junior levels to participate in the upside of revenue growth.
 - *Differentiated Rewards for Selling vs. Delivery* – Firms must delineate between compensating professionals for revenue generation and rewarding excellence in service execution—both critical for long-term success.
 - *Cross-Selling Incentives* – To maximize firm-wide revenue potential, professionals must be incentivized to promote the full suite of firm offerings, not just their specific service line.
4. **Metrics to Measure Success** – Traditional metrics like utilization rates will become obsolete as automation compresses service delivery time. Firms will need new KPIs that reflect client impact and strategic value delivered, cross-service collaboration and revenue generation and technology adoption and efficiency gains.

Products and Services: Expanding Beyond Traditional Offerings

To stay competitive, Audit, Tax, and Advisory firms will need to deeply understand target customers and deliver solutions that meet their evolving needs and create a strategic impact for them. Experience in industry and technical capabilities will remain a critical factor for success.

- **Audit & Tax:** Audit and Tax will see the most disruption as automation streamlines processes and commoditizes delivery. The real value will shift from execution to data-driven, forward-looking advisory, predictive analysis, where accountants serve as strategic partners, providing clients with benchmarking insights, competitive analysis, and operational guidance to drive business performance. This evolution may lead to a decoupling of Audit and Tax service delivery from traditional client relationships. Opportunities exist to create new assurance offerings, beyond financial assurance, into areas such as AI, technology, and Security & Privacy assurance.
- **Advisory:** Advisory will evolve into a broad suite of services (risk advisory, strategy and operations, investment advisory, technology implementation etc.) tailored to the distinct needs of different client



segments. Small to Mid-Sized Entities (SME) will prioritize outsourced and managed services, such as fractional C-suite leadership (CFO, CTO, CISO), cybersecurity, managed accounting, and analytics, etc. for smarter decision-making. Meanwhile, Private Equity and PE-backed companies will demand specialized deal-related services—from Quality of Earnings and due diligence to seamless pre- and post-merger integration.

- **Create New AI-Enabled Client Solutions** – To unlock new revenue streams, firms will need to build dedicated sandbox environments where professionals can test AI-driven tools and co-create AI-enabled product and service offerings with clients, before deploying them to the customer segment. Opportunities exist to leverage AI to turn traditional businesses into AI-enabled data businesses, creating new revenue streams for accounting firms.

Process: Transforming Service Delivery

To drive efficiency and enhance service delivery, firms will transform how work is performed and delivered:

- *Automate Service Delivery* - Identify and streamline the most time-intensive Audit and Tax processes leveraging a service execution portal that sits on the desktop of firm professionals, with smart automation, relevant tools and solutions, outsourcing select tasks, and innovative business models that free up professionals for higher-value advisory work.
- *Revolutionize Client Service Delivery* – Develop a next-gen client portal that integrates firm products and services, tracks progress on services, provides insights and can be customized for the client, to enhance their experiences.

- *Leverage GenAI*: Utilize GenAI for the first pass at proposals, reports and analysis, all of which are then reviewed by professionals to ensure accuracy.

Pricing: Redefining Value in the AI-Driven Era

The integration of AI and Generative AI will revolutionize audit, tax, and advisory workflows, dramatically increasing efficiency and reshaping service delivery. As professionals' complete tasks faster and more intelligently, the traditional billable-hours model will face mounting pressure. Without adaptation, firms risk revenue stagnation or decline and margin erosion. To remain competitive and drive sustainable growth, professional services firms must redefine how they price value in this new landscape:

- *Adopt Value-Based Pricing* – Transition from fixed-price and time-and-materials billing to models that reflect the true strategic impact delivered to clients. AI-powered solutions create exponential efficiencies—pricing must evolve to capture this added value.



- *Embrace Hybrid Pricing Structures* – Implement dynamic pricing that blends time-based fees, deliverable-driven pricing, and technology-related costs, ensuring firms capitalize on AI-driven efficiencies without sacrificing profitability.
- *Expand Recurring Revenue Streams* – Establish managed service offerings and subscription-based models that create predictable, scalable income, moving beyond one-off engagements. AI allows continuous value delivery—pricing models must align with this evolution.
- *Provide Compliance & Digital Integrity* – Proactively address legal, risk, and regulatory challenges tied to technology adoption, safeguarding security and driving ethical practices.
- *Drive Continuous Innovation & Leadership* – Equip practice leaders with ongoing access to best-in-class tech strategies that enhance operations, improve margins, and sustain long-term growth.
- *Expert-Led Technology Management*: Deploy in-house or external specialists to oversee technology infrastructure, security, privacy, risk management, and regulatory compliance, seamless and secure operations.

Technology as the Catalyst for Transformation

Technology is no longer just an enabler of change; it is the driving force reshaping professional services. Firms must embed tech into every facet of service delivery and business operations, with the role of the CTO/CIO becoming more critical than ever in leading this transformation, working closely with business leaders. To stay competitive, firms must harness technology to:

- *Curate a Seamless Tech-Driven Ecosystem* – Design a network that integrates technology, data, service providers, and outsourced talent to optimize workflows and maximize efficiency. The firm will form alliances with the technology ecosystem, in areas such as GenAI, Machine Learning, Robotic Process Automation, ERP systems, Data Visualization, Cloud Services, Core Technology, etc.
- *Enable Seamless Real-Time Data Access & Mobility* - Enable professionals to work fluidly across on-site, remote, and offshore environments, enabled by secure access to mobile desktops, files, and case data from any location.

Conclusion

The rapid pace of change demands that Professional Services firms evolve into the “Reimagined” Audit, Tax, and Advisory firms—leveraging technology to maximize efficiency, drive client success, and elevate internal operations. Just as critical is the transformation of professional experience, shifting talent away from routine tasks toward strategic, high-value contributions. While this industry-wide shift has been long anticipated, many firms have yet to fully grasp its consequences. The accelerating influence of private equity will only intensify the urgency, forcing firms to adapt or risk obsolescence.

Every firm’s transformation journey will be unique, yet clear best practices exist for navigating change. Those that move with bold intent—prioritizing speed, execution, and innovation—will not only protect their existing revenue but redefine industry leadership. In this new era, competitive advantage won’t belong to those who follow trends—it will be claimed by firms that shape them.

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Nita Sanger, CEO of Idea Innovate Consulting, is a CxO, Operating Partner and Advisor executive with over 25 years of experience driving transformational growth, revenue optimization, and operational excellence for large, complex, global professional, legal, business, and financial services organizations. A proven strategist and innovator, she excels in turning around underperforming businesses, accelerating market

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