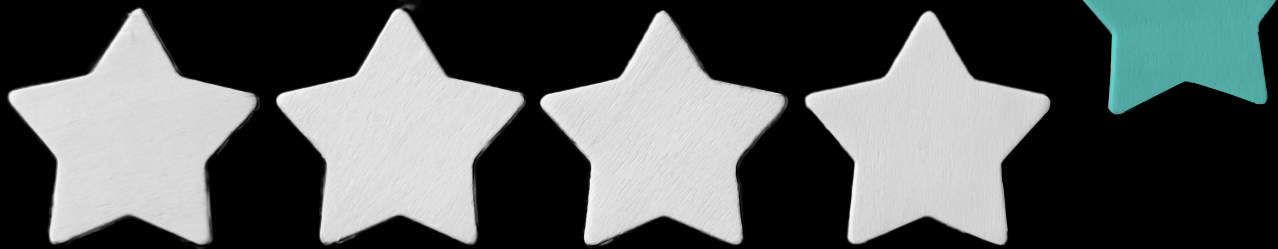


2024 Accounting Practice Management Survey

New research finds accountants leveraging practice management tools experience higher levels of growth and work-life satisfaction.

By Chris Howard



EXECUTIVE SUMMARY

One of the key drivers of success for modern accountants is mastering the management of their practices. In the face of the new technologies, regulations, and evolving client needs that are reshaping the accounting profession, the old maxim of “what gets managed gets measured” provides a pathway to putting in place the certainty firms need to succeed. Proper practice management is the essential capability that every firm needs to navigate these changes now and in the future.

Canopy, provider of industry-leading practice management software, commissioned research to learn how accounting leaders are currently managing their practices and grow their firms. The survey was conducted by an independent research firm and included responses from 250 accounting leaders using practice management software about how they managed their practices in 2023.

KEY FINDINGS OF THE SURVEY ARE:

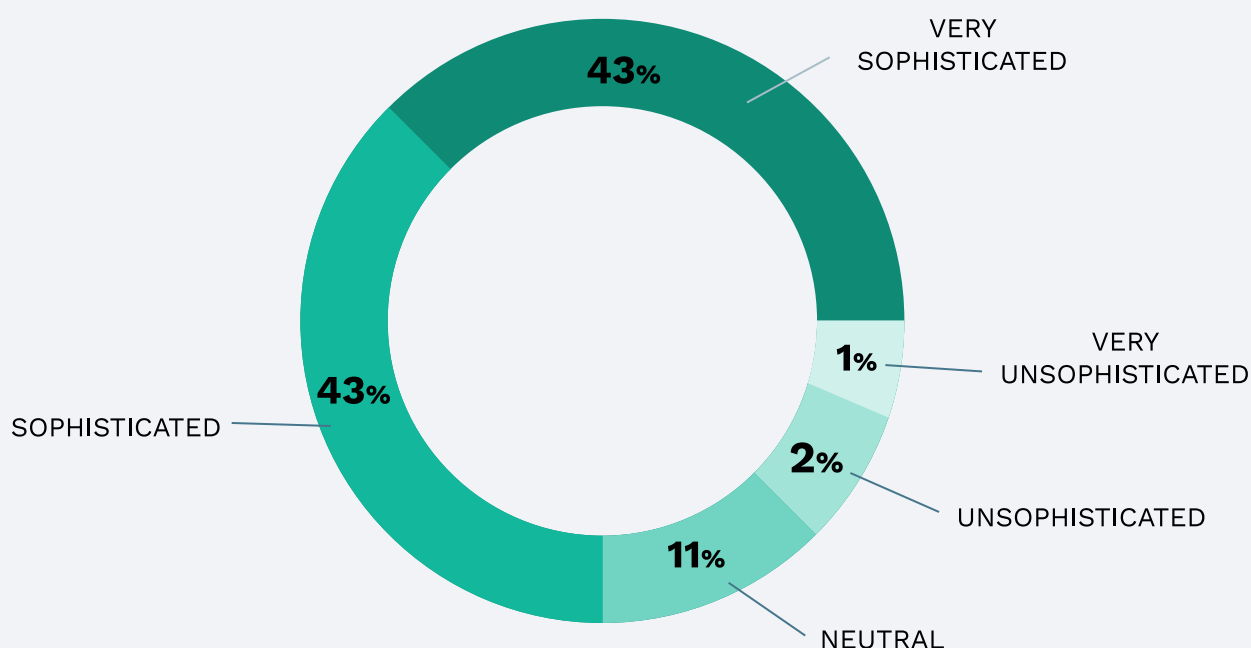
- Growth is top of mind for most accountants with 82% wanting to expand beyond traditional bookkeeping and tax services.
- Accountants are also looking to hire more remote staff and offer more flexible work arrangements. But with this growth comes difficulties.
- The top difficulties indicated were tracking time and expenses (35%) and attracting and retaining top talent (33%).
- Tracking time and expenses was also listed as the most important element of running a firm.
- Accountants spend just 55% of their time working with clients and the rest on administrative matters.
- Most indicated they would like to spend more time with clients and that their businesses would grow if they had more time with clients.
- The large majority of accountants (90%) reported having positive work/life balance, respondents also stated that on average employees stayed with their firms for more than six years beating the national average of 4.1 years.



Running A Firm

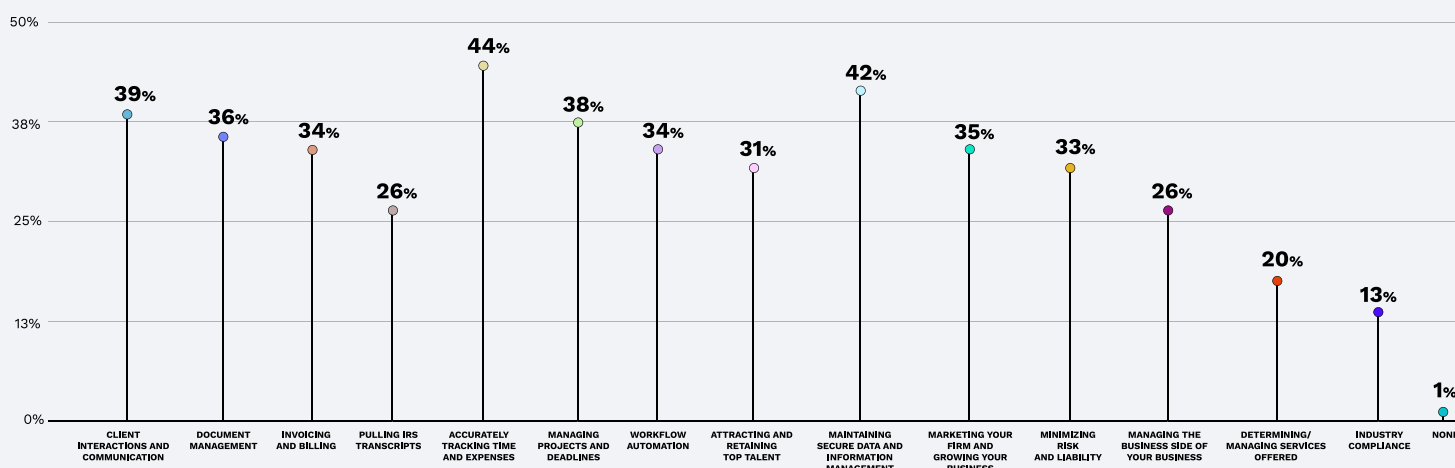
86% of accountants consider their practice sophisticated when it comes to mastering practice management with only 3% saying they were unsophisticated.

How would you describe your team's experience when it comes to using "Practice Management" to run your firm?



The most important elements of running an accounting firm were accurately tracking time and expenses (44%) followed by maintaining secure data and information management (42%), and client interactions and communication (39%). Interestingly, the least important element was industry compliance (12%).

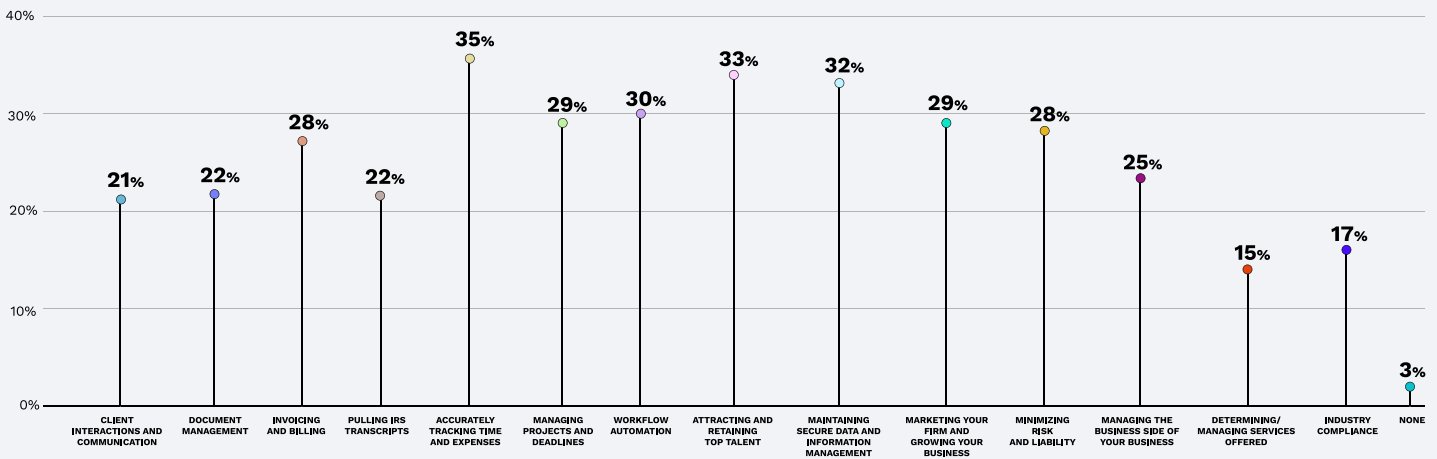
In your opinion, what are the most important elements of running an accounting firm?



When asked what was most difficult about running an accounting firm, the survey found accurately tracking time and expenses (35%) was the most difficult, followed by attracting and retaining top talent (33%), maintaining secure data and information management (32%), and workflow automation (30%).

Items that were the least difficult were determining what services to offer (15%) and industry compliance (17%).

In your opinion, what are the *most difficult* elements of running an accounting firm?



Client Interactions

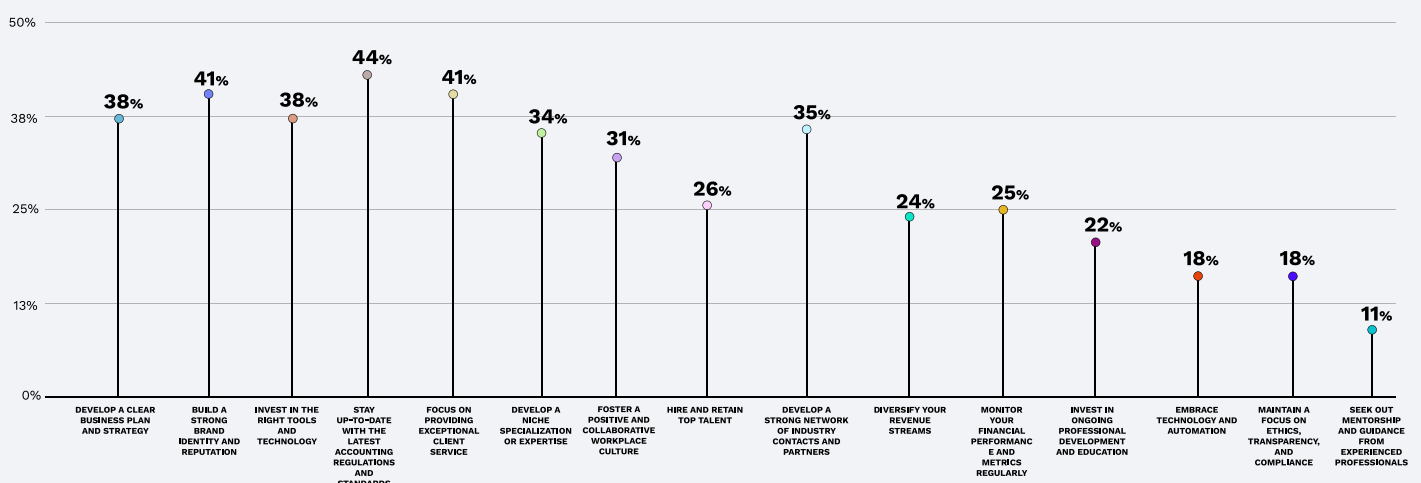
Interacting with clients is a major part of any accounting firm. The survey found that more accounting leaders spend their time meeting with clients (55%) than managing their business operations (45%). However, 85% indicated they would like to spend more time meeting with clients and 87 percent felt their firms would grow faster if they spent more time with clients.

The majority of accounting leaders (60%) also felt that their clients were occasionally disappointed with not spending enough time with them.

Firms Are Growing

Accounting leaders indicated that the best advice to follow to achieve success is to stay up-to-date with the latest accounting regulations and standards (44%), focus on providing exceptional client service (41%), build a strong brand identity and reputation (41%), invest in the right tools and technology (38%), and develop a clear business plan and strategy (38%).

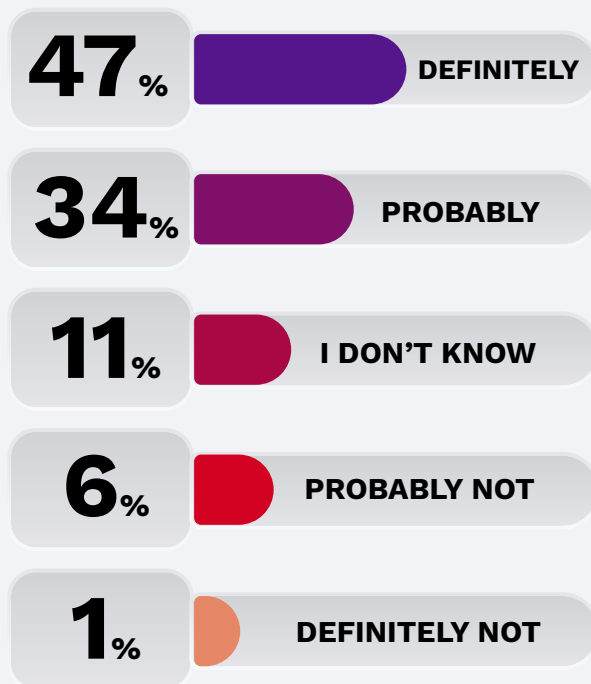
What kind of advice would you give your younger self when it comes to accounting firm success?





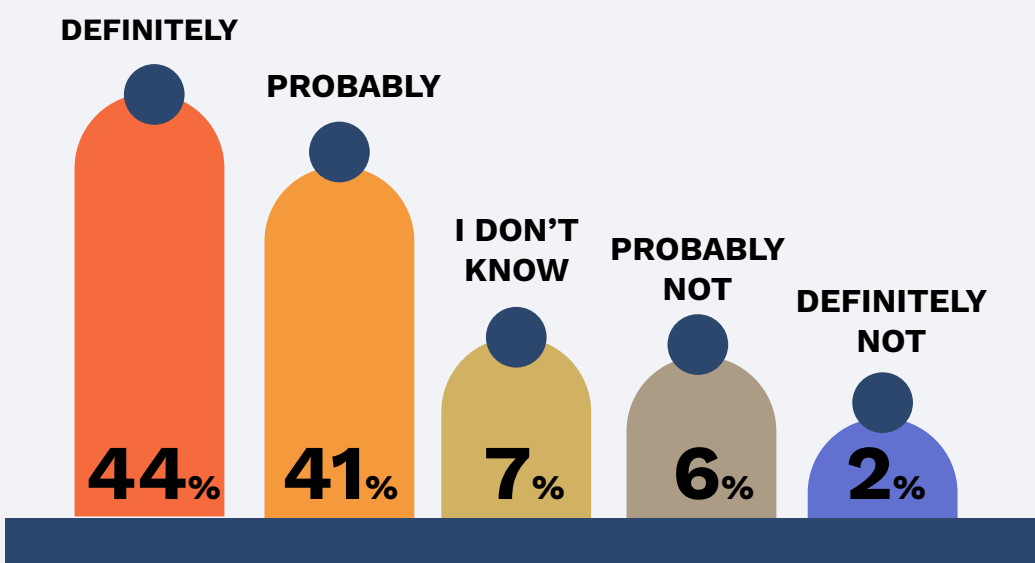
Growth and diversification of offerings are also key for the future of accounting firms. 82% of firms plan to expand their service offerings beyond traditional accounting and bookkeeping services.

Do you plan to expand your service offerings beyond traditional accounting and bookkeeping services?



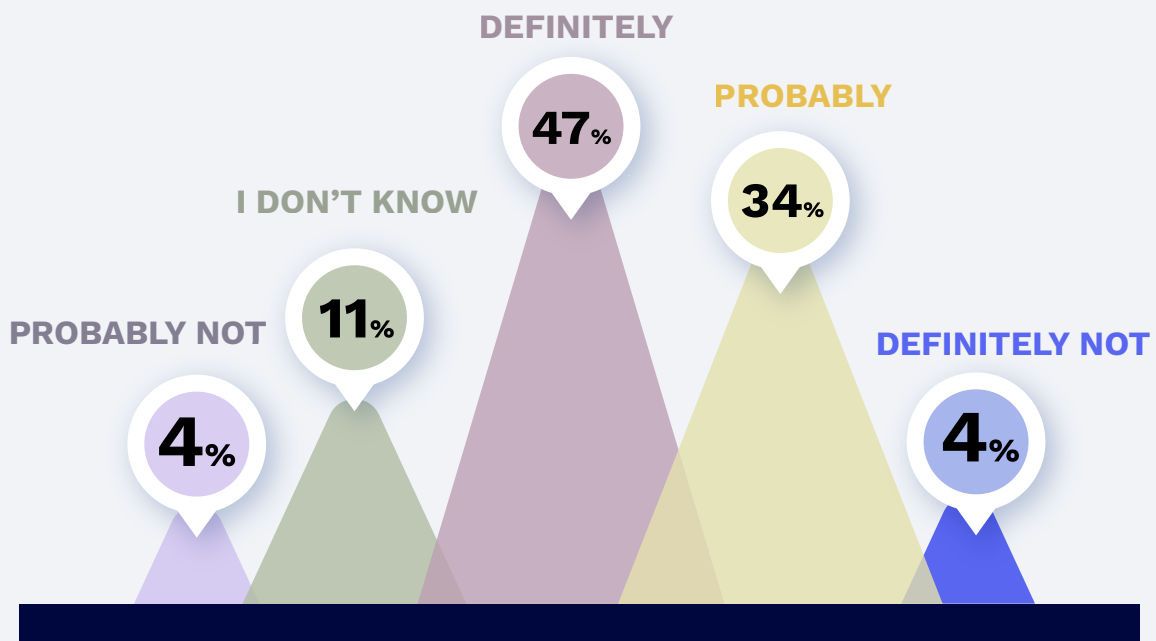
Most firms (85%) also expect to hire more remote workers and offer flexible work arrangements in the next 18 months and; invest more in professional development and training for their staff to keep up with industry changes and advancements.. A similar percentage plan to increase their focus on sustainability and environmental responsibility in their businesses. 79% of firms also anticipate increasing their investment in cybersecurity and data privacy measures.

Do you expect to hire more remote staff with flexible work arrangements in the next 18 months?



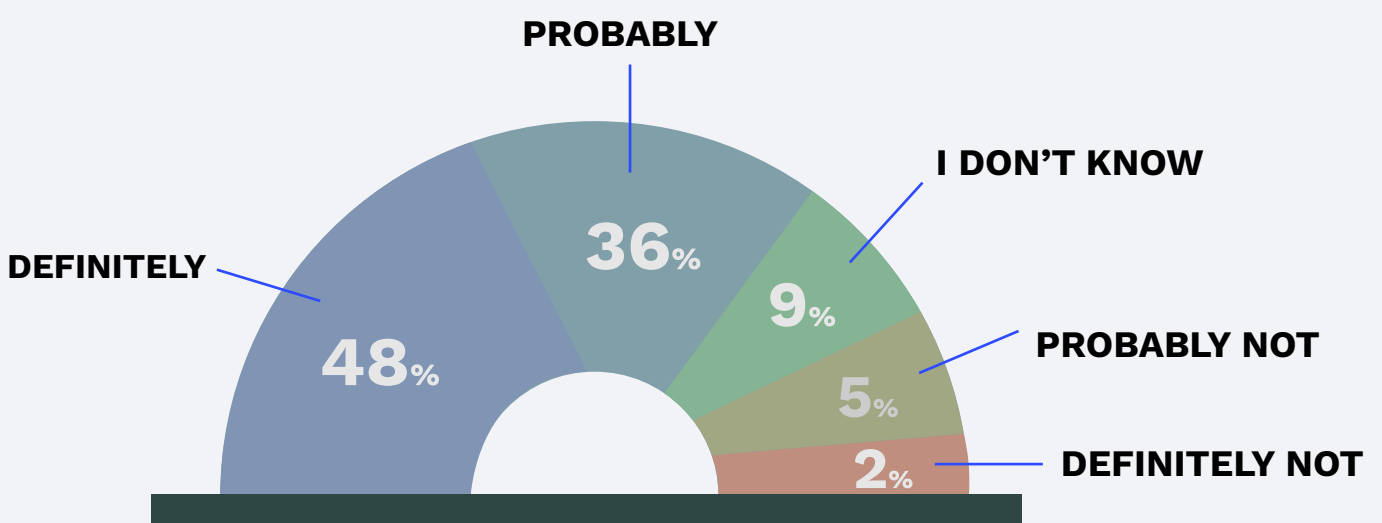


Do you expect to invest more in professional development and training for your staff to keep up with industry changes and advancements?



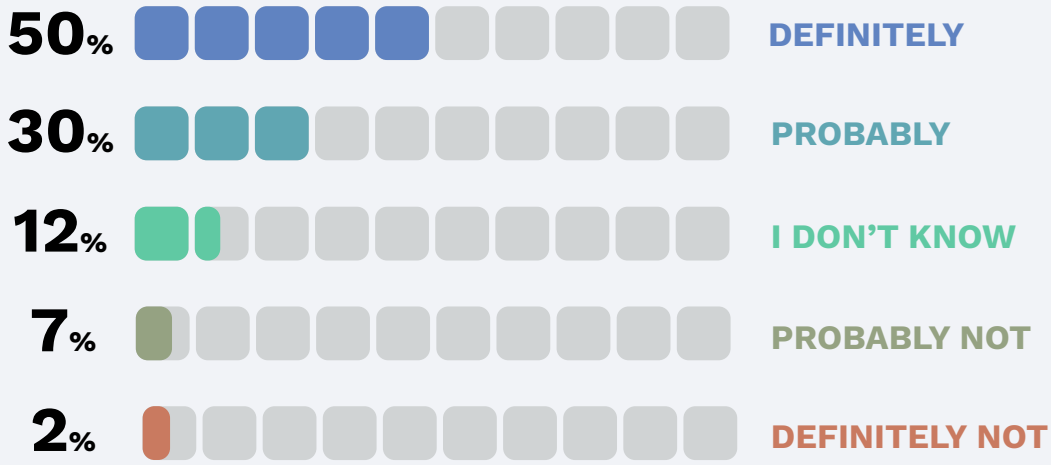
They are also planning to: increase their focus on sustainability and environmental responsibility; increase their investment in cybersecurity and data privacy measures; increase use of artificial intelligence and data analytics tools; and increase investments in automation and machine learning technologies.

Do you plan to increase your focus on sustainability and environmental responsibility in their business practices?

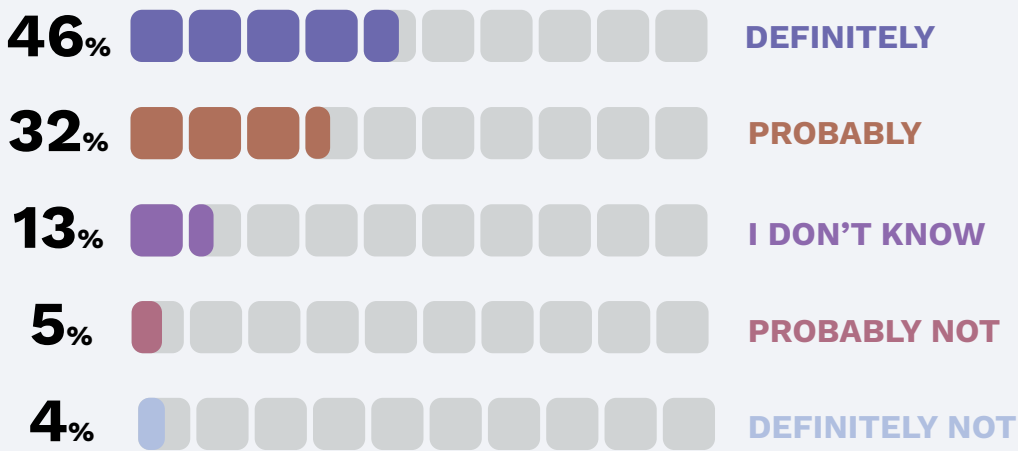




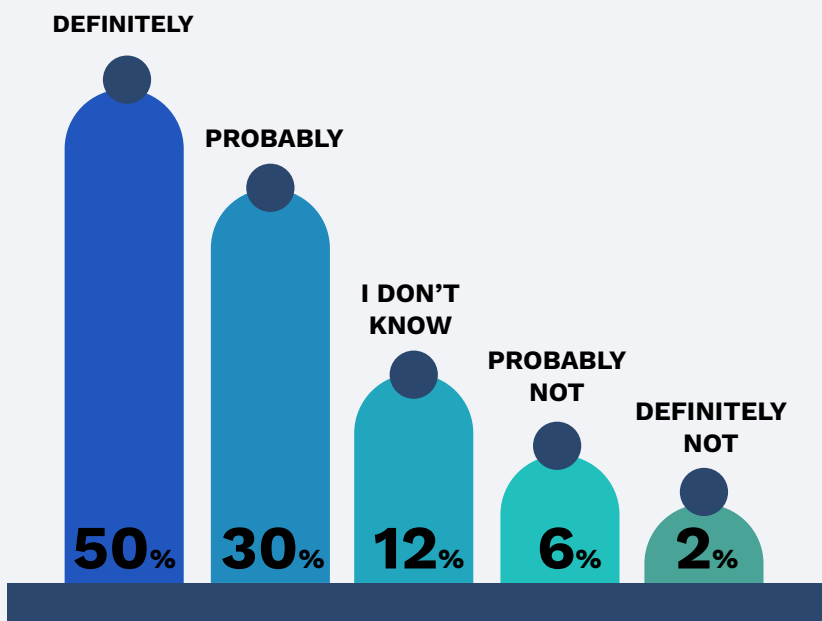
Do you anticipate increasing your investment in cybersecurity and data privacy measures?



Do you expect to increase your use of artificial intelligence and data analytics tools in your work?



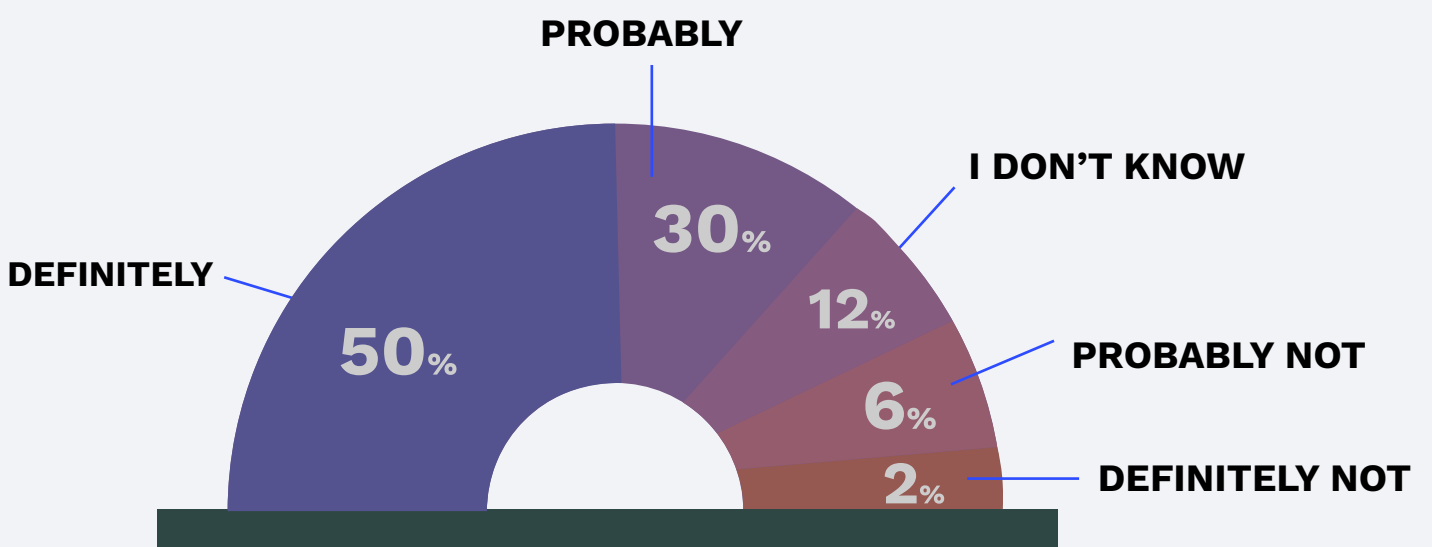
Do you anticipate increasing investment in automation and machine learning technologies?





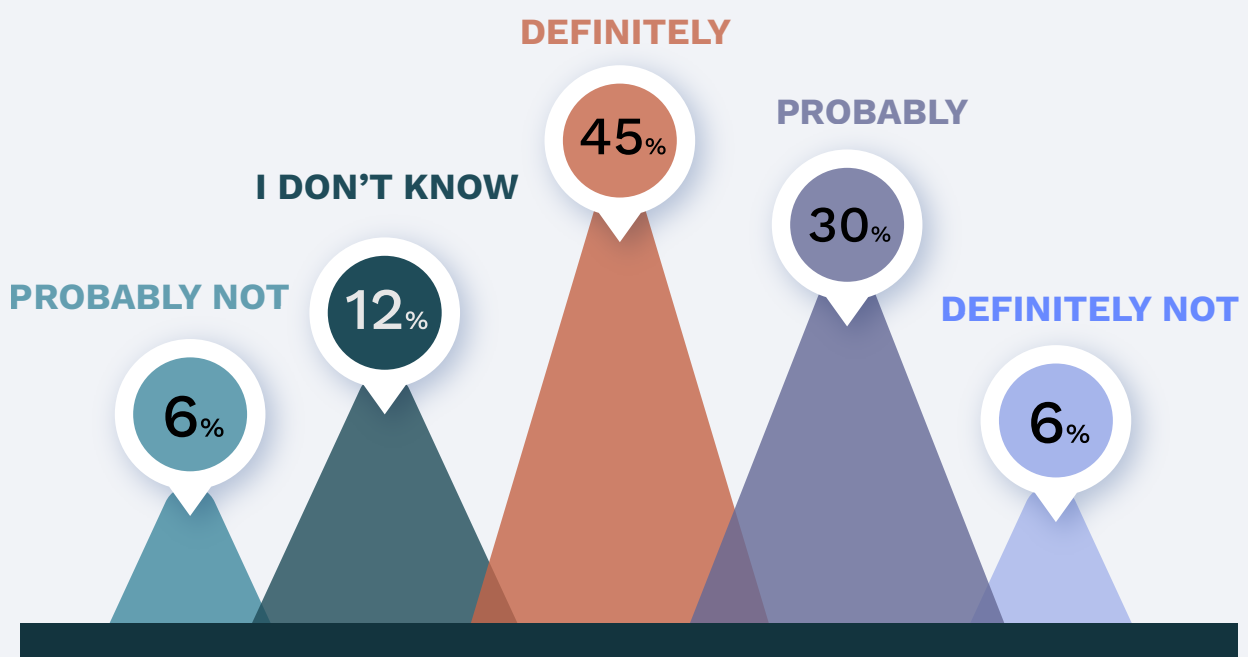
Firms are also increasing their marketing budgets with 80 percent of firms anticipating increasing their investment in marketing and branding efforts to differentiate themselves from competitors.

Do you anticipate increasing your investment in marketing and branding efforts to differentiate yourself from competitors?



Accounting leaders are also looking to expand their reach into international markets offering their services to clients in other countries.

Do you plan to expand your international reach and offer services to clients in other countries?

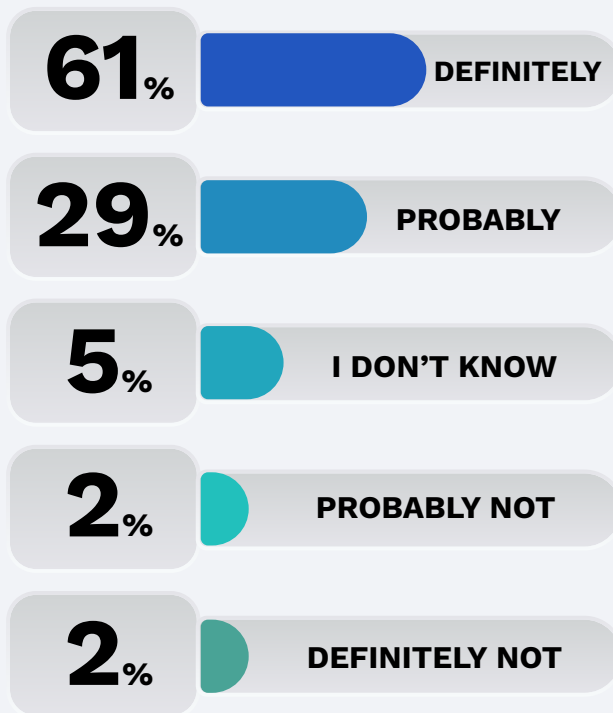




Work/Life Balance

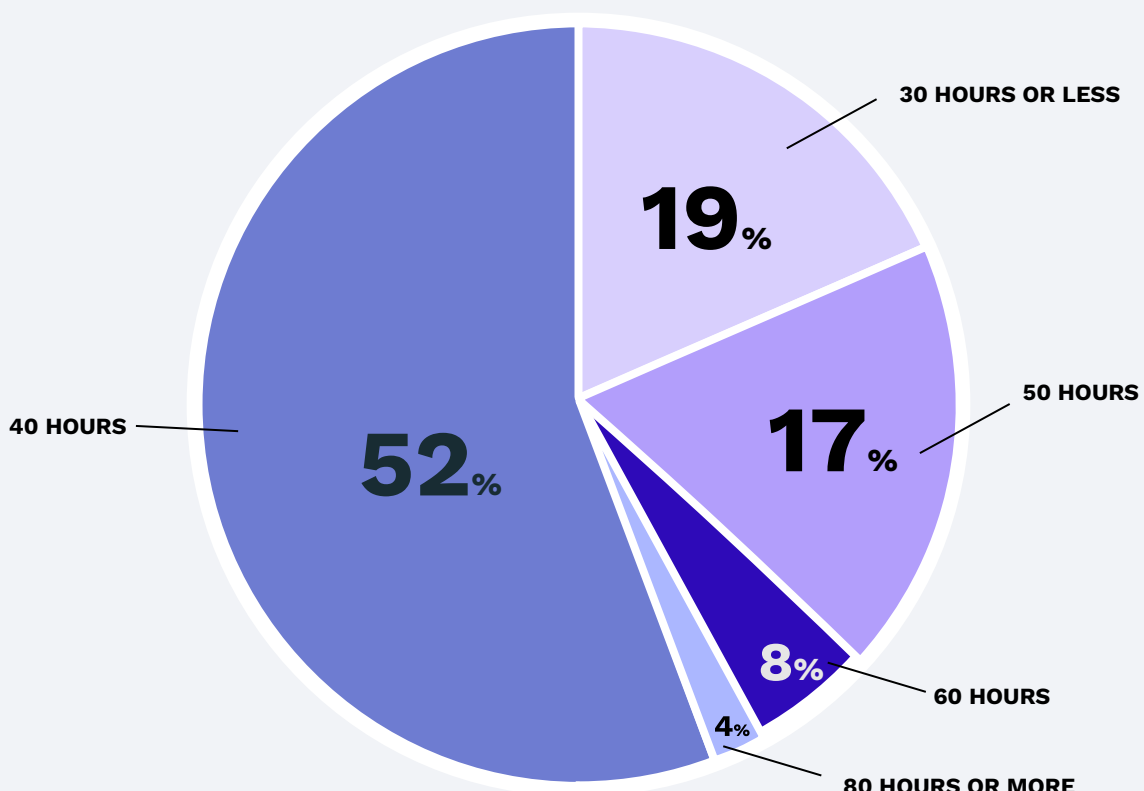
When asked whether they were satisfied with their work/life balance 90% responded affirmatively.

Are you satisfied with your work/life balance?



Most respondents reported working just 40 hours a week (52%), with 17% working 50 hours and only 8% working more than 60 hours a week. Surprisingly, 19% reported working 30 hours or less.

On average, how many hours do you work per week?



Supporting the positive response to work/life balance, respondents also stated that on average employees stayed with their firms for more than six years.



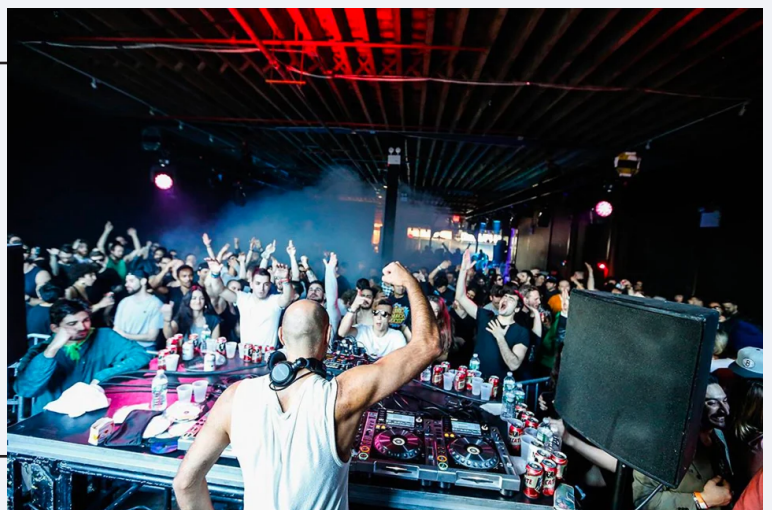
Just For Fun

Accountants aren't just all about business. Somewhat surprising, only 51% of accountants have seen the movie *The Accountant* starring Ben Affleck as a mathematical savant.



Possibly even more surprising, 28% of accountants admit they have a hard time calculating the tip at dinner.

Apparently accounting conferences are where you want to be...to party. 51% of accountants say that Accounting Conferences are pretty wild after hours.



Methodology

Canopy commissioned an independent research firm to survey 250 accounting leaders about how they're growing their practices in 2023. The margin of error for this study is +/- 6.2% at the 95% confidence level.

