

Pricing for growth:

An actionable worksheet for CAS firms

Pricing client advisory services (CAS) is a complex task that requires knowledge of your market, competitors and the industries you serve, along with an intimate understanding of your firm's mission and vision. This worksheet is designed to help you understand the questions your clients need to answer, as well as the pricing considerations related to each. While exact pricing varies by firm, geography, industry, and many other factors, it highlights what factors should be considered when establishing your price and packages.

About the experts:



Jenni Huotari

Jenni is a Partner and National Practice leader for outsourced and managed services at Eide Bailly LLP, a Fargo, North Dakota-based, top 25 CPA firm and has been recognized by *CPA Practice Advisor* for their Most Powerful Women in Accounting Award. Under Jenni's leadership and two-decade tenure, Eide Bailly's CAS pricing and packaging model has evolved and currently consists of a mix of billing modalities through the assessment phase, moving to a set fixed-fee, monthly subscription.



Jody Grunden

Jody is an accounting visionary and recipient of the 2017 CPA.com Innovative Practitioner Award. Jody co-founded Summit CPA Group in 2002, and merged with Anders CPAs + Advisors in 2022 to form Summit Virtual CFO by Anders. Jody was an early adopter of the subscription pricing model, making iterative improvements to the way that his firm packages and prices services ranging from transactional accounting to virtual CFO.

Defining service levels

Every client thinks they have different needs. Establishing service levels enables you to categorize your involvement with clients into a specific package. Not all firms define packaging for their services, but the ones that do generally fall into categories such as basic, intermediate, and advanced.

To understand what a package can look like, consider these service levels from Summit Virtual CFO by Anders:

Transactional	Controller	CFO
<p>This base-level, reactive service provides clients with traditional accounting services. In CAS firms, the client benefits from having a team of experts as trusted advisors who can scale with business growth. Transactional services can include journal entries and the management of accounts payable and receivable, spend management, and payroll.</p>	<p>This service introduces proactivity and is for growing businesses that now need professional financial advice but can't afford or justify the expense of a full-time controller. Clients who opt for this level of service generally receive experienced support for tax returns, strategic planning, accounts payable and receivable, and detailed forecasting. At this level, the firm provides clients with more strategic cash flow management and dynamic forecasting, a critical ingredient for future growth.</p>	<p>This service provides proactive, executive-level strategic guidance to help guide decision-making that results in financial success. In most cases, clients have one point of contact as a project manager to find time, financial, and process efficiencies and bring the best, continuous financial advice to your organization for less than half the cost of a full-time CFO. With this service level, clients can expect to have the firm handle bank relationships, weekly meetings, forecasting, ownership of company-wide KPIs, and much more.</p>
<p>Offerings that may be included, as defined by CPA.com:</p> <ul style="list-style-type: none">• Accounting• AP/bill payment• AR/collections• 1099 creation• Payroll• Expense management	<p>Offerings that may be included, as defined by CPA.com:</p> <ul style="list-style-type: none">• Monthly financial metrics• Financial close• Cash flow management• Spend management• Budgeting & forecasting• Financing advisory	<p>Offerings that may be included, as defined by CPA.com:</p> <ul style="list-style-type: none">• Financial & non-financial insights• Forecasting• Business insights• Financial strategy• Data analytics• Market analysis• Human capital• Advanced financial modeling

Service areas and questions to consider



Advisory services

Technology requirements

- Does your firm accommodate any software for main accounting functions, such as G/L, bill pay, financial planning & analysis, or must the client be willing to use your standardized tools?
- If you allow clients to select their technologies, do you have a preferred software for each required functionality? Should you mark up pricing when you have to use less desirable tools?
- Does the client need assistance administering the tool?



Accounting services

Payroll administration

- How many employees and contractors does the client have?
- What software are they using?

Spend management

- Do they utilize a corporate card with software that controls and tracks the spend?

Bank reconciliations

- What is the timing and number of reconciliations required?
- Can the client provide read-only access to bank accounts?

Bill pay

- Does the client have an integrated financial operations platform that enables accounts payable automation?
- What is the number of typical monthly transactions that must be approved and paid?

Invoicing

- How many monthly invoices are sent, and for how many companies?



Tax Returns

Business tax return

- What is the annual revenue?

Individual tax return

- How many owners?

Multi-state tax return

Sales tax return

Personal property tax return

- How many states?

Beneficial ownership software access

- How many filings are needed?

This is part of the pricing scheme, but doesn't represent firm structure.

“We’ll work with any tool we have experience with, but we do have preferred tools. For more complex tools, a price multiplier is added to the baseline subscription.”

– Jody Grunden

“The tech stack we use is standardized, for the most part. If a new client comes to us, with few exceptions, they have to be willing to integrate into our tech stack for foundational technology like bill pay, spend management, or payroll, or we recommend them to another firm.”

– Jenni Huotari

Client assessment and onboarding

Knowing the “current state” of a new client’s accounting system is a crucial first step in establishing a price. When it comes to pricing for onboarding, it’s sometimes necessary to get creative.

There are many different ways to bill, including hourly, fixed fee, value billing, retainer, and subscription. Jenni uses a mix of hourly and subscription pricing, while Jody has strictly used a subscription pricing model for over a decade.

Hourly

The traditional method of billing for accounting firms. Clients are charged based on the actual hours worked and the cost of materials used. This includes hourly rates for employees’ time, direct costs of resources, and reimbursable expenses.

Why do firms still use this method?

It offers flexibility for the firm and client but does not allow the client to know what they will have to pay at the start. It ensures fair compensation for the firm, though it requires detailed time tracking and documentation.

Subscription pricing

Clients pay a predetermined, consistent fee for a defined set of services over a specific period. This approach provides cost predictability and simplified billing, fostering long-term client relationships while requiring careful scope management and accurate pricing to ensure profitability. Much like a software-as-a-service model, clients are free to cancel at any time, incentivizing the firm to continuously provide value.

Why are firms moving to this model for CAS offerings?

Much like software-as-a-service, subscription pricing allows a predictable, recurring revenue stream, enhances client relationships through long-term engagements, simplifies billing, allows firms to scale without hiring more staff, and provides clients with a predictable expense. Most importantly, it allows firms to focus on value-adding activities while innovating ways to improve service quality, instead of increasing billable hours.

“We found ourselves segregating onboarding because generally, when clients come to us, there’s a need that comes from being behind, or the financials are just a mess. So, there’s a clean-up or catch-up component to it that we charge extra up-front for.”

– Jenni Huotari

“Our model forces our staff to innovate to complete more in 40 hours. They are incentivized with variable compensation to make clients as efficient as possible, so they can take on more clients.”

– Jody Grunden

Client interview and pricing worksheet

Client information

Name	
Website	Date

Key players and decision-makers

Name	
Telephone	Email

Name	
Telephone	Email

Name	
Telephone	Email

Name	
Telephone	Email

Interview questions:

Where did you hear about us?

In summary, what are the services you are looking for?

Why are you looking to change your provider?

Do you have an existing vendor that you are replacing? If so, for what services?

What is the size of the organization? List revenue and number of employees

How many owners are there? List number, names and the role they play

Are there any related entities? If so, what is the type (Sch. C, Part, S-Corp, C-Corp, LLC-S, LLC-P)?

Service scoping

Service	Yes/No/Unsure	Service	Yes/No/Unsure
Financial statements	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Cash flow management	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Forecasting with tax projections	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Business tax return	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Virtual CFO services	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Individual tax return	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Payroll/contractor administration	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Multi-state return	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Employee expense tracking	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Personal property tax returns	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Accounts payable	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Sales tax returns	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Accounts receivable	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Additional weekly meetings	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Existing software

Service	Yes/No/Unsure	Service	Yes/No/Unsure
Accounting	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Time tracking	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Payroll	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Video conferencing	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Bill pay	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Project management	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Invoicing	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Communication	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Expense reimbursement	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Other	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

If willing, what does the current bookkeeper and accountant cost?

What is the ideal start date?

Who is the person within the company who will sign a proposal and engagement letter?

Next steps: