THE RISE OF THE AI-ENABLED ACCOUNTING FIRM

How firms are creating capacity and expanding advisory

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Introduction | The shift to AI-enabled firms | From compliance to advisory | Talent and leadership in the AI era | The AI maturity model | Building a stronger AI foundation | Conclusion

Executive summary

Artificial intelligence (AI) is accelerating a set of forces that have been building for more than a decade: rising client expectations, persistent capacity constraints, consolidation pressure and the erosion of time-based pricing models.

Rather than adding to the strain, AI offers a meaningful path forward. It helps firms close the widening gap between what clients expect and what teams have the bandwidth to deliver, creating room for higher value advisory work and stronger relationships.

Drawing on insights from ADP's inaugural AI Forum, this whitepaper provides a strategic framework for understanding why this moment matters, what forces are driving change and practical steps firms can take to use AI confidently without overextending themselves.

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Introduction: The profession is at an inflection point

Nearly every generation of accountants can point to a defining technological shift: paper ledgers to desktop software, desktop to cloud, cloud to workflow automation. Each advancement improved efficiency, but none fundamentally altered the accountant's role.

Artificial intelligence is different.

Rather than simply accelerating tasks, AI changes how firms create capacity, uncover insight and deliver value. When applied thoughtfully, it helps firms convert financial, payroll and workforce data into forward-looking guidance that business owners increasingly expect.

This shift is happening against a backdrop of mounting pressure. Firms are being asked to do more with fewer people, differentiate in a crowded market and justify fees in an environment where traditional compliance work is increasingly commoditized. For firms that adopt it with intent, AI is emerging as the bridge between rising expectations and the ability to deliver at scale.

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The shift to AI-enabled firms

Across the profession, accountants report a mix of excitement and uncertainty when it comes to AI. While most are optimistic about AI's potential to save time, concerns remain regarding data accuracy, security, the loss of the human touch or simply not knowing where to start. Regardless, the trend line is clear: Firms are moving forward.

And while AI can take friction out of transactional tasks, its real potential lies in giving accountants more capacity to focus on higher-value advisory work.

Firms are actively exploring tools, yet most remain early in their journey.

It's also clear that experimentation is already underway. Firms are testing tools for drafting emails, summarizing documents, preparing reports and supporting research. Most, however, are still early in the journey.

88%
of accountants are actively exploring what's possible with today's tools[1]

80%
of accountants say they're most excited about AI's ability to save time on routine tasks or unlock advisory opportunities[1]

Why this matters now
Three powerful industry forces are converging:

1. **Capacity constraints are mounting.**
   With fewer people entering the profession and a significant portion of the existing workforce approaching retirement age, the widening experience gap can't be filled by hiring alone. In this environment, building capacity increasingly depends on leverage and technology so teams can focus their expertise where it matters most.

2. **Consolidation is accelerating expectations.**
   A wave of mergers and acquisitions and private equity investment is reshaping the competitive landscape. Larger firms are using technology and standardized advisory offerings to deliver faster, broader insights. Independent firms increasingly compete against elevated client expectations.

3. **Compliance margins are compressing.**
   Automation and AI are reshaping how routine compliance tasks get done. As intelligent tools streamline transactional steps, the unique human elements of judgment, empathy and partnership become even more central to how organizations deliver value. In this shift, traditional time-based pricing models feel less connected to what clients truly rely on.

AI-enabled firms operate with a different assumption: Advisory must be scalable. Firms that embrace this mindset early are positioning themselves to meet rising expectations with confidence and clarity.

61%
of accountants are just exploring what's possible with today's tools[1]

12%
of accountants report active or fully embedded AI use[1]

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From compliance to advisory: Meeting rising client expectations

The value accountants deliver is expanding, and business owners are actively asking for it. Beyond traditional work, business owners look to their accountants for:

- HR support
- Talent and workforce guidance
- Data analysis and reporting
- Strategic insights tied to operations

This shift reflects a broader trend: Advisory is no longer an add-on. It's becoming central to how clients evaluate their accountants' value. AI helps bridge this gap, freeing time for deeper conversations. When routine work takes less effort, accountants have more capacity to focus on interpretation, explanation and forward-looking guidance.

Revenue and growth implications

Advisory demand is climbing while, at the same time, firms are grappling with tighter capacity than ever. Without new forms of leverage, advisory is difficult to scale.

Across the profession, accountants point to two critical areas where AI has the greatest revenue growth potential: improving efficiency and expanding advisory offerings.
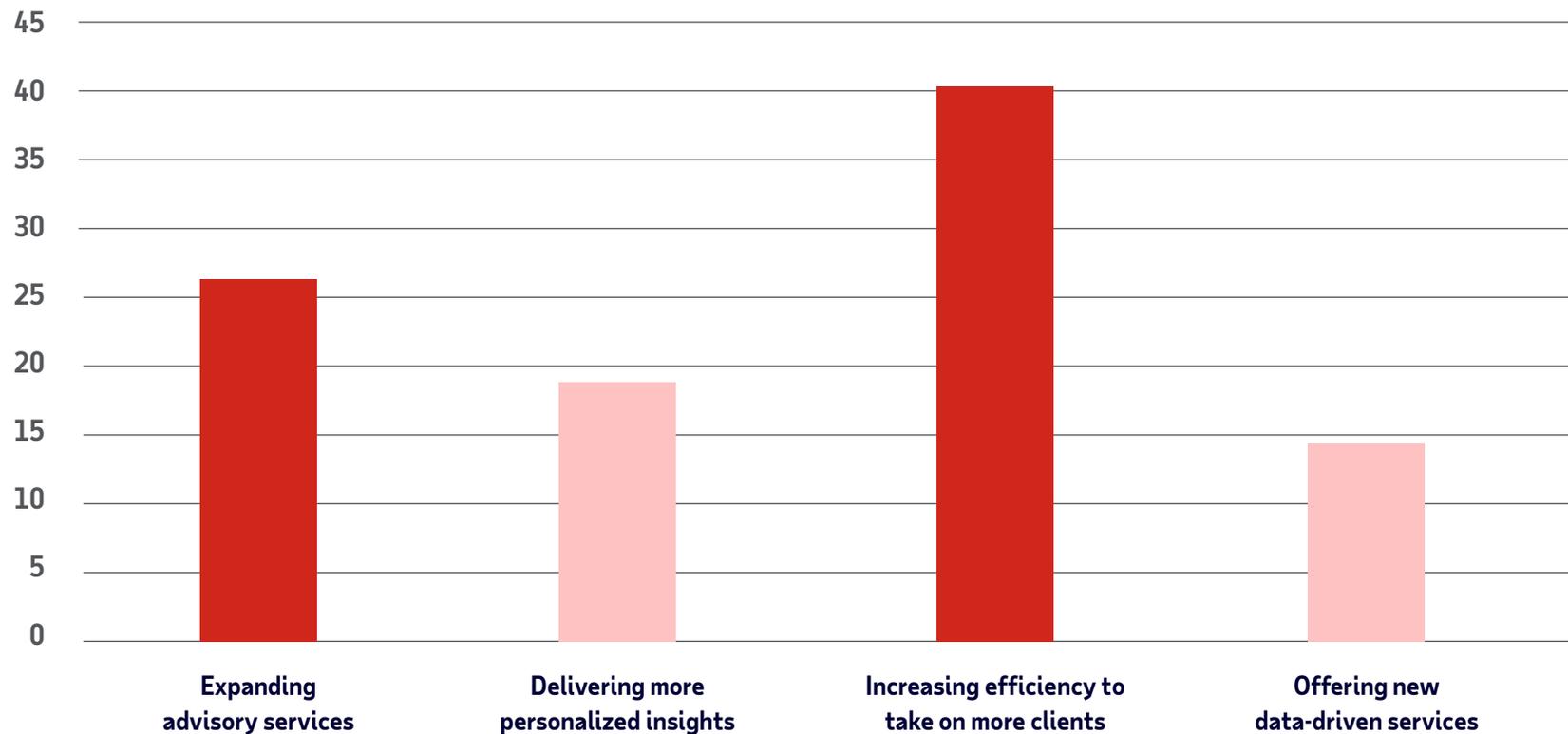
"Accountants have been indicating that they're [increasingly] moving beyond traditional services in a brilliant way. They're hoping to do more and go outside the box of traditional accounting."

— Heather Sperduto
Vice President, Accountant Advocacy, ADP

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What do you expect to be the greatest revenue growth opportunity with AI?[1]

Category	Value
Expanding advisory services	~26
Delivering more personalized insights	~19
Increasing efficiency to take on more clients	~40
Offering new data-driven services	~14

Firms that succeed in this area are using AI to reclaim time, then reinvesting that capacity into higher-margin advisory work.

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Talent and leadership in the AI era

If recent years have taught the profession anything, it's that the capacity crisis won't be solved by simply adding more people. The firms experiencing the most value from AI are rethinking leadership, skills development and how humans and technology work together.

Rather than replacing human expertise, AI creates new opportunities to engage, support and elevate people. It's a tremendous opportunity for employers to use technology to engage workers and make them more productive.

Today, leaders are using AI to:

- Surface risks and patterns earlier

- Prepare more effectively for advisory conversations

- Accelerate staff development through guided learning

- Reduce time-to-insight on complex decisions

These shifts are reshaping not only how work gets done, but how teams learn, collaborate and grow.

Rethinking pricing and value

As AI takes on more routine, repeatable tasks, the disconnect between hours worked and value delivered becomes increasingly visible. Time based billing can struggle to reflect outcomes, especially as advisory becomes more central to client expectations.

Outcome-based pricing models are becoming more viable, and in many cases, increasingly necessary.

Skills matter more than roles

Firms don't need everyone to be an AI expert. What they do need is clarity about responsibilities and guardrails for how AI fits into the flow of daily work. They need:

- An AI champion to pilot tools and guide adoption

- Managers who know when and how to weave AI into the process

- Staff trained in responsible, ethical and effective use

- A culture that encourages experimentation, learning and continuous improvement

In this environment, skills, not job titles, become the real differentiator. Teams that learn quickly and adapt confidently will move the profession forward.

"Our skills of analyzing data and helping clients make sense of it aren't going away. Now's the time to think about using AI to make us better professionals and better humans. It gives you the knowledge to be better at the client relationships we already have."

— Jody Padar
The Radical CPA, Cofounder, XcelLabs

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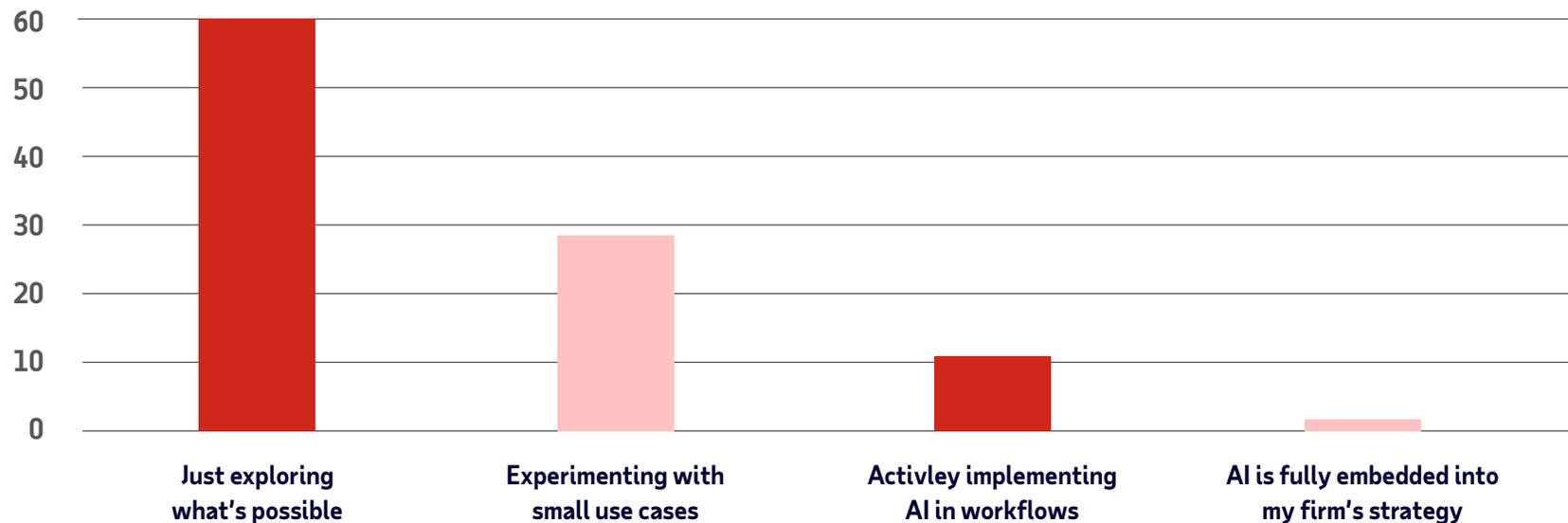# The AI maturity model for accounting firms: Understanding where your firm stands

To help firms understand where they are today, and what comes next, think about progress through the lens of AI maturity, or a firm's ability to apply AI thoughtfully and strategically.

88% of accounting firms remain in exploration or early experimentation[1]

Where are you on your AI journey?[1]

Category	Value
Just exploring what's possible	60
Experimenting with small use cases	28
Activley implementing AI in workflows	11
AI is fully embedded into my firm's strategy	1

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The four stages of AI maturity for accounting firms

Stage 1: Exploration

Firms begin experimenting with AI, often driven by curiosity rather than structure.

- Testing basic tasks
- Minimal policies or formal guidelines
- Early wins but inconsistent usage

Stage 2: Enablement

AI use becomes more intentional at the firm, with clearer guardrails and early efficiency gains.

- Defined use cases
- Standards for prompts and workflows
- Measurable capacity improvements
- Foundation-building for broader adoption

Stage 3: Integration

AI becomes embedded into the way the firm gets work done.

- Routine integration into core workflows
- Staff upskilling and structured training
- Stronger, more strategic client interactions

Stage 4: AI-first firm

AI is woven into the firm's operating model, supporting both scale and strategy.

- AI agents supporting complex, multi step workflows
- Secure integration of proprietary firm data
- Leadership using AI for planning, forecasting and decision support
- Advisory services delivered consistently and at scale

Most firms today fall between **Exploration** and **Enablement**. Regardless of where you are on your AI journey, what matters most is steady intentional progress, not rushing to the finish line.

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Building a strong AI foundation

Before firms can scale advisory or adopt advanced AI tools, they need a solid foundation.

Practical starting points

These early use cases are foundational building blocks that ultimately support more sophisticated AI integration.

These capabilities help firms:

- Normalize AI use across teams
- Reduce friction, uncertainty and hesitation
- Create immediate time savings
- Develop habits for more sophisticated adoption

The goal is not to replace professional judgment, but to give you more space to use it. Here are some practical tips:

- Start with a clearly defined use case, then apply the technology.
- Don't expect perfection; treat AI like a fast-learning assistant—one that enhances human productivity when guided.
- Iterate on prompts the way you would refine your questions with a colleague.
- Always bring your expertise to verify outputs.

"Higher-value advisory starts with what you already know, thinking strategically with AI to develop what the advisory service is. The LLM won't necessarily give you the entire answer, but it will help you think through the full solution."

— Naomi Lariviere
Chief Product Owner, ADP

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Automation

Draft emails, summarise client calls, outline tax memos, format data or prepare documents
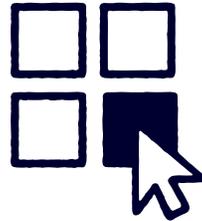
Brainstorming

Use AI as a sounding board when exploring tax implications, analyzing regulations or preparing client recommendations

AI foundation

Data analysis

Identify patterns, or turn raw figures into charts, talking points or presentation slides

Notetaking

Capture action items and produce summaries for client meetings or internal trainings

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Your 90-day action plan

This phased approach helps firms build capability without overwhelming teams or workflows.

Days 1–30: Establish the foundation

- Identify one recurring workflow to streamline (for example, emails, summaries, reconciliations, reporting).
- Designate an internal AI champion responsible for experimentation and knowledge-sharing.
- Set simple guidelines for safe and responsible use (what data can and cannot be used).

Outcome: Reduced friction, early time savings and increased confidence.

Days 31–60: Expand use cases

- Use AI to summarize three client meetings per month.
- Pilot one advisory-focused use case (for example, scenario planning, forecasting, HR or talent insights).
- Begin documenting wins and time savings.

Outcome: Clear visibility into where AI adds value, and where it doesn't.

Days 61–90: Prepare for scale

- Quantify capacity created for advisory work.
- Integrate AI into at least one client-facing deliverable.
- Evaluate opportunities to shift repetitive tasks to AI-supported workflows.

Outcome: Visible momentum, measurable impact and a more defined roadmap toward an AI-enabled firm.

At 90 days, most firms aren't "finished," but they're informed, confident and positioned to make better decisions about what comes next.

Responsible AI in practice

Firms that succeed in use of responsible AI share a common set of principles:

- AI outputs are always reviewed by a credentialed professional.
- Clear boundaries exist around sensitive or regulated data.
- Staff understand AI as a support tool, not a decision maker.
- Curiosity, experimentation and ongoing learning are encouraged.

When approached this way, AI becomes a trusted assistant rather than a risk to manage.

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Conclusion

AI is reshaping the accounting profession, but its purpose isn't to replace the expertise, empathy or judgment that accountants bring to the client relationship. Instead, it expands the capacity to deliver the deeper guidance and forward-looking insights business owners now expect.

The firms that thrive in this new era won't be the ones with the most tools; they'll be the ones with the most curiosity, the clearest leadership and the most thoughtful approach to integrating technology with human expertise.

AI isn't competing with accountants. It's amplifying their value.

Explore ADP's unmatched set of solutions for accountants.

1. ADP, ADP Accountant Connect Forum survey of 1,500 accounting professionals, 2025

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