

WHITE PAPER

Elevating Your Firm's Pricing Strategy: Are You Leaving Money on the Table?

Intuit Accountants

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Executive summary

Many accounting and tax firms continue to price their services based on the time they spend on a specific engagement or project, rather than the value they provide to their clients. Shifting your firm's mindset around hourly versus value-based rates can be a significant hurdle, but those still charging by the hour may be leaving money on the table. Firms looking to unlock significant revenue gains are shifting to value-based and subscription pricing models.

In this white paper, we'll dive into the challenges of transitioning from traditional, hourly billing to value-based pricing, and provide actionable steps to communicate pricing changes to your clients. Gain insights and pocket new tools to grow your firm's profitability and even increase client retention. Learn how to successfully implement these strategies and how to better align your pricing with the services you deliver. Maximize your firm's potential by redefining and elevating your pricing strategy.

Key issues highlighted in this whitepaper

The link between value and pricing: Learn why using a transactional pricing model might mean your firm is losing money and, perhaps, clients. Recognize the potential gains from setting your firm's pricing strategy to reflect the value of the services and the outcomes they deliver, not just the time spent.

Pricing strategies for growth: Learn how to establish value-based and subscription pricing models that can lead to consistent revenue growth and better cash flow management, as well as how to pitch these rates to prospects.

Real-world outcomes: Deep dive into the prices and structure of a firm that has successfully set value-based and subscription pricing models, and navigated fee increases. Discover ways to optimize your workflows with sophisticated software that can add value to your offerings, while saving firms time.

Shift your mindset: The link between value and pricing
Why value wins

When firms consider their prices, some still view their services as a commodity rather than a value-added service for clients. Hourly billing may seem black and white, but the age-old pricing structure comes with its own list of challenges for accountants and their clients. Pitfalls include lapses in communication, surprise bills for clients, and giving away a lot of value for very little money simply because their expertise—rather than long hours—was central to the service.

In short, you might be leaving money on the table if your firm is still charging clients based on transactional pricing.

Common pricing models for firms

There are three primary structures accounting and tax firms currently use: transactional, value-based, and subscription pricing.

1. **Transactional pricing** relies on defined hourly or service fees derived from the calculation of internal firm costs plus a standard markup.
2. **Value-based pricing** leverages the rate firms believe their clients are willing to pay based on the associated value provided. "The complexity of the situation and the engagement often influences the value and price," says Colin Horsford, CPA, MBA, of Horsford Accounting & Advisory LLC.
3. **Subscription pricing** is a common form of value-based pricing where the fees are divided into regularly timed increments across the timeline of the contracted engagement. Subscriptions also work best for recurring services such as onboarding, advisory services, training, accounting, payroll, and bill pay.

The subscription model and value pricing signify a pivotal shift away from conventional hourly billing toward a structure that emphasizes the intrinsic value delivered to clients. Part of the mindset includes shifting the way your firm perceives the value it brings to the table in the form of expertise, experiences, efficiencies, and technology. This might mean that you can complete work more quickly—but that shouldn't mean that you earn less for your competence. The other piece in considering value includes how the client perceives the service they receive. If clients believe their needs are met for a predictable price and that the return on their investment is worthwhile—or that the cost is lower than doing the same work themselves or in-house—they are unlikely to take umbrage with a value-based rate.

Value-based and subscription pricing has always been the most logical option for H. Randy Hughes III, CPA, EA, CTC, CTRS, owner of Counting Pennies LLC and Seven-Figure Profits LLC.

"We have never used a traditional hourly model," he said. "That model never really made sense to me for two reasons. First, I didn't like the idea of being punished with lower income because I was good at my job and could finish faster. Second, I didn't like the fact that accounts receivable and bill collection comes along with an after-the-fact billing of the hourly model."

Discover more about Randy Hughes' firm and its pricing structures on page 21.

Taking a value-based approach often means providing continuous accounting services for a regular fee, ensuring clients benefit from predictable costs and tailored advisory relationships. And perhaps more importantly, it marks a transition toward fostering deeper, value-focused client engagements, allowing firms to better reflect the true worth of their services and expertise in a more client-centric manner.

How advisory services can boost revenue

Harnessing your expertise to move beyond tax prep can lead to more satisfying work, better work hours, and consistent revenue. According to CPA.com's 2024 annual Client Advisory Services (CAS) Benchmark Survey, advisory services continue to be on the rise, even outpacing the tax profession's overall growth. CAS survey respondents report an overall median growth rate of 17% over the past year and a projected revenue percentage growth rate of 99% over the next three years.

For example, Firm A uses transactional pricing and has its tax return preparation set at a rate of $150 per hour. Firm B uses value-based pricing that is disclosed upfront; the firm knows its clients perceive that they get $800 worth of value from the tax return process. Because the firms are using efficient processes, time-saving technology, and have a deep familiarity with the client, both firms take only 45 minutes to prep the return. However, the first firm makes only $112.50 for its efforts, while the second firm makes $800. Based on the value of the service, Firm A's client might feel they got a steal of a deal, while Firm B's client is satisfied with the value of the service they received, especially because they might be receiving more personalized attention in addition to the basic return completion.

Firm A with transactional pricing is, effectively, penalized for its efficiency and speed. But clients value a quick turnaround. Separating your accounting firm's fees from time rewards efficiency, while allowing profit margins to rise. Instead of clients paying for your 45 minutes spent preparing the return, they are, instead, paying for your expertise, experience, competence, and timeliness. With a value-based mindset, they are paying for the benefits of confidence and peace of mind.

Why use value-based pricing?

Value-based pricing focuses on the benefits, results, or value you provide each client, rather than the time and materials you expend on their account. When executed well, there are benefits for your firm and your clients:

- ✓ Accountants who offer value-based pricing report increased profitability, efficiency, and a competitive advantage over similar firms.
- ✓ Firms can focus on value-added services, contributing to client satisfaction and retention.
- ✓ They can add subscription packages, which means contact and relationship-building with clients throughout the year, as well as recurring revenue.
- ✓ Clients can budget more effectively with predictable pricing.
- ✓ Clients will have more trust in you and your firm if there are no surprises, such as surge billing, for example.
- ✓ Firms benefit from reduced pressure to meet billable hour targets, which makes for a more positive work environment.
- ✓ Staff might feel more satisfied with work when year-round offerings include strategic advisory services and support that goes beyond simple compliance, helping clients navigate business challenges and seize new opportunities.

How firms get stuck in the hourly rate mindset
Fear of change

Tradition and familiarity can make any change tough to tackle: *"The accounting industry has seemingly always charged hourly rates, so why change things now?"* Planning for pricing changes can also cause our brains to go into catastrophizing mode: *"What if all my clients leave when they see the new rates? What if no one will pay for a subscription? What if they balk at higher rates?"*

Your brain might conveniently forget all the times clients contacted your firm, shocked or infuriated because they didn't know the scope of the work requested until they received their invoice. Instead, you're stuck in worst-case-scenario mode.

> Let's be honest: Raising rates can be scary. The fear of losing clients or rocking the boat in a well-established relationship is a significant obstacle for many of us. We've all been there; you value your clients and worry that a price increase might make you seem ungrateful or push them to find someone cheaper. Here's the truth: You undervalue yourself and your expertise by undervaluing your services. In the long run, staying stuck at a lower rate can hinder your ability to invest in your growth and better serve your clients.
>
> **– Lynda Artesani, owner of Artesani Accounting and The Proper Trust LLC**

The fear of the unknown when restructuring rates and communicating pricing changes plagues many accountants; after all, no one really likes change—even the ones who say they do. Nevertheless, many have set up or moved to value-based and subscription models successfully. For example, one enrolled agent pushed off raising his rates for more than five years. After finally raising rates for tax year 2025, he got pushback from only one of his 300 clients; his fear was ultimately unfounded … it was only a 3% complaint!

Pros and cons of transactional and value-based pricing

Before changing pricing models, it's fair to consider the risks and benefits of the transactional and value-based pricing models. And, of course, you'll have to make this assessment for your unique firm to determine whether value-based pricing is the right fit. The chart below outlines common concerns and positive outcomes.

	Transactional Model Hourly pricing Task pricing	**Advisory Model** Value-based pricing Subscription pricing
Benefits to Firm	• Compliance work drives revenue • You get paid directly for your time	• Consistent and predictable quarterly or monthly fees • Can justify higher costs based on the value generated • No more timesheets • Information is updated and maintained throughout the year, not just at tax time, resulting in fewer surprises • Opportunities to provide guidance and value throughout the year to steer optimal outcomes • Reduce work compression • Supports better work/life balance • Productivity and efficiency are rewarded
Risks to Firm	• Efficiency and productivity is penalized, not rewarded • Harder to capture fees for small, intermittent tasks • Compliance work can become perceived as a commodity	• Changing billing models can be perceived as risky and stressful • You need to estimate fees carefully to ensure profit margins • New clients can be a time/demand risk
Benefits to Client	• Fees are directly correlated to a deliverable	• Predictable fees spread out evenly throughout the year • More planning with a trusted advisor to reach goals, instead of just compliance requests
Risks to Client	• Costs are unknown until complete • Might miss tax optimizing opportunities due to once-a-year tax-time window of engagement • Clients can feel nickel and dimed if small interactions are invoiced	• Clients want to understand value for additional fees • A full-year service contract can feel intimidating to some clients

Chief among the benefits to firms is the ability to charge higher prices, especially when layering in value-adds such as advisory services. According to the most recent Management of an Accounting Practice (MAP) survey, median total net client fees jumped 9% over 2022. Among the top performers? Firms that offered business compliance and planning services, which posted higher median service fees than top performers recorded for individual tax compliance alone:

> While the median annual service fees for individual tax was roughly three times higher for top performers than for all firms, the business tax and client accounting/advisory services medians were almost four times higher than those produced by all firms. The expansion into higher-margin service lines creates additional opportunities for staff to do more interesting work, work fewer hours, and make more money.
>
> **– MAP survey observations**

Randy Hughes found he was able to boost profits, while giving his staff more interesting work by shifting focus to advisory and leaving tax return preparation as only an add-on service for clients with a subscription.

“After raising the pricing in small increments for years, we finally decided to sell off the portion of the tax preparation business that represented the lowest cost and the greatest headaches,” he said. “This immediately raised our average price per tax return companywide, while at the same time reducing the capacity strain on our part-time team.”

Get started: How to price your services

When shifting to subscription models and value pricing, experts advocate for pricing that emphasizes relationships and benefits over services. This approach, focused on delivering continuous innovation and superior customer experiences, aims to enhance client satisfaction, retention, and firm profitability. It proposes the importance of offering multiple pricing options tailored to various client needs, encouraging firms to sell access to knowledge and foster long-term partnerships through periodic payments for ever-increasing value and transformations.

Each firm can and should determine its offerings and rates differently; there's not a one-size-fits-all pricing solution. These tips can be helpful when calculating your firm's pricing based on the value it's providing.

Know what monetary value you deliver. Consider setting a minimum price-point that can be adjusted up based on the value you anticipate providing to the client. "CPAs and tax professionals love to point out that we aren't allowed to charge a contingency fee. And they are right," said Sean M. Duncan, CPA, president of SMD Consulting & Accounting LLC. "If you charge a fee after the completion of your work based on the actual amount of savings, you generate from your strategies, you would be in violation of our ethical code. Charging a fee that is agreed upon *ahead of time*, based on the estimated value of your service, is not a contingency fee."

Research competitive pricing. Knowing what your competitors charge for similar services will help craft an appropriate range for your fees. Alternatively, if you own the market, understand the value that you're bringing to the table. "I don't care what others are charging," said Duncan. "What I want you to consider is if there is competition for what you do. You may find out that you are the only one in your area doing what you do; that automatically makes you a premium service. Increase your fee accordingly."

Differentiate yourself from competitors. Clients need to understand how the value you offer is unique. Do you bring a proactive approach to your client relationships, like Hughes, or specialize in legal accounting, like Artesani? "In a crowded market, differentiation is vital to commanding premium rates," she said. "Take the time to identify your unique strengths and capabilities, and leverage them to stand out from competitors. This could be specialized industry knowledge, a unique service offering, or a tailored approach to client relationships."

Find historical proof points. Look at the results you have created for existing clients to quantify the value generated by these services. Hughes has used this tactic in his career to persuade a client to move to value-based pricing at a higher rate. "We had just provided a series of wins for a client who was wanting an additional service offering, so we used the wins as an opportunity to increase our pricing. The client happily paid it and has been a client for over 10 years."

Leverage service bundles or packages. Bundling distributes value across the whole and reduces client focus on high-priced elements. "Transitioning clients from a transactional model to a value model can be challenging," said John D Jordan, CPA. "We capture what is most important to the client, which is tax savings, and bundle it with the other services into their monthly service package. We are selling peace of mind and ROI on our fees via tax savings."

Account for the secret sauce. Prioritizing each client's experience is the magic in value-based pricing. "Exceptional customer service is crucial in commanding premium rates for your services," said Artesani. "Clients are not just paying for your technical expertise; they also value the support and attention they receive throughout their engagement with your business.

Being proactive with clients is Hughes' differentiator, and it builds positive client relationships:

"Proactively reaching out, proactively setting meetings with them, proactively sharing advice and valuable insights with them. Not waiting for the client to come to us. We take the lead and go to them. Clients are out there complaining about the services of many accountants, but they feel stuck in their relationship with nowhere to go. Being proactive helps accountants to cut that feeling off and prevent it from developing in the first place."

Three-tier pricing

Value-based pricing often groups services into packages, each with a set price. Your clients can choose the package that's right for them, allowing them to know the cost upfront. Three-tier pricing, also called the "Goldilocks Model," is popular in the accounting profession. It gives clients a set of three pricing options to select from, allowing them options to find the offering that is *just right*.

One way to frame your three tiers is through the lens of "good," "better," and "best" options. According to Harvard Business Review, the good-better-best approach has two distinct advantages:

1. Clients prefer having a choice instead of an ultimatum, and having three options gives them a sense of agency and empowerment.

2. When faced with multiple options, clients tend to decide more quickly whether they are going to buy something. Having made that mental shift, they typically treat the good version as a sunk cost, which makes them more amenable to upgrading.

A firm using the good-better-best model might stack its offerings along these lines:

Tier 1–Good: Consider this level to be your most basic offering. It might be simple tax preparation, accounting, and reporting, along with other services and deliverables the client is asking for.

Tier 2–Better: To go a step beyond basic tax preparation, you can offer advisory work to clients in the "better" category. Services fall neatly between the basics and pulling out the stops, giving clients advisory in their areas of need.

Tier 3–Best: This level is synonymous with luxury. Think high touch and high service. There is a high level of communication with your client throughout the year, and you're giving the full breadth of your expertise.

Determine what's included in your three-tier offerings and which one you want most of your clients to choose. Value-adds might include benefits such as unlimited meetings, calls, and related support; service-level satisfaction guarantees; or additional planning, projections, and advisory services.

Then it's time to decide on dollar amounts to attach to each level. Price service tiers so they are competitive, yet also are a good fit for your firm and your clients. Try one of the following two methods, or develop your own set of rates based on your firm's strategic goals.

1. Take the amount you charge clients for basic tax preparation alone, and double or triple it based on your level of involvement. So if you charge $500 for basic tax preparation, you could assign a cost of $1,000 to the "better" pricing tier. Similarly, you could charge $1,500 or more for the "best" pricing tier, effectively earning 3x more than your original fee.

2. Clients generally accept that the total cost of accounting is not more than 2% to 4% of the topline revenue for their business. As an example for the "best" tier, you could start with 1%-2%+ of the client's gross revenue. For a client with annual revenues of $5 million, value pricing would be $50,000-$75,000.

Subscription model

The subscription model is straightforward: Clients pay a recurring fee for consistent access to a service or product. This pricing model promises a steady stream of revenue to firms, which can reduce the volatility and unpredictability often associated with transactional billing in the accounting field. This consistent revenue flow encourages firms to engage with clients year-round, enabling a more proactive approach to client services.

For accounting and tax firms, adopting a subscription model means transitioning from time-based billing to an emphasis on the value provided. Experts stress the significance of scope agreements that capture the client's perceived value, and advise firms to focus on relationship pricing to boost client loyalty and the value of their lifetime relationship. Ensuring effective communication, presenting various pricing strategies, and actively involving clients in the process help mitigate pricing challenges and bolster profitability. This approach demands detailed planning and education for clients and staff, which promotes ongoing innovation and enhanced customer experiences.

Subscription pricing can allow for a more stable and predictable revenue stream, making it easier for firms to plan for the long term and give some cushion against economic fluctuations. Karbon highlights three metrics that are valuable for subscription-based accounting firms to keep tabs on:

1. **Customer Acquisition Cost (CAC):** Measures the cost to acquire a new client, vital for budgeting and marketing strategies.

2. **Monthly Recurring Revenue (MRR):** Provides a snapshot of steady income, crucial for financial forecasting and stability.

3. **Customer Lifetime Value (CLV):** Estimates the total revenue a firm can expect from a single client, emphasizing the importance of nurturing long-term relationships for business growth.

Tracking your CAC, MRR, and CLV over time can help you assess whether a subscription-based pricing strategy is working for your firm and help determine where to make adjustments to your offerings or prices.

"Pricing is not static. It's an evolving process that should adapt to your clients' needs and industry dynamics."

– Sandy Petty, CPA, CGMA, PHR, SHRM-CP, Executive Financial Partners

Proposing customized rates for advisory services

Even after setting value-based prices, firms need to determine each potential client's needs and whether the pricing structure is appropriate for the value they anticipate delivering. As you work through the details, Sandy Petty, CPA, CGMA, PHR, SHRM-CP, of [Executive Financial Partners], proposes following these four essential steps to price advisory services:

1. Discover each client's needs and complexities of their business
Does the client have certain unique aspects to their business, such as inventory, software as a service, project costing, or sales tax? If so, you'll need to perform a thorough assessment of their business, as well as the advisory services you're offering to them. Are you going to offer financial planning, tax optimization, audit support, or business strategy consulting? The complexity and scope of these services will be instrumental in determining your pricing structure. It's typical for there to be an upcharge for some of these complexities and services.

2. Understand the value you are offering and the cost of expertise
Value-based pricing ties the cost directly to the impact of your advice. It's often a more compelling approach for clients who want to see a clear return on their investment. There's also the subscription-based model to consider.

Advisory services often require specialized expertise. Your pricing should consider your qualifications, certifications, and industry experience. Clients are often willing to pay a premium for the assurance of working with an expert and seasoned professional.

I often ask prospective clients to consider the price tag of a strategic CFO, or even a transactional CFO, if they were to hire for this role. That usually helps them appreciate the fractional investment for these services.

3. Assess the market
Conduct thorough market research to gauge what other advisory service providers are charging for similar services. This will help you establish competitive, yet profitable prices that reflect the unique value you bring to your clients.

In addition, you will want to maintain ethical standards in pricing. Avoid any practices that may be perceived as price gouging or overcharging. Pricing should reflect the genuine value you and your firm provide, and transparency is key to building trust with clients.

4. Set rates, then re-evaluate your pricing strategy regularly
The accounting profession is continually evolving, with changes in regulations, technology, and market conditions. It's critical to periodically review and adjust your pricing strategy to ensure it remains competitive and reflects the current state of the industry. The key is to strike a balance between profitability and fairness; this will help you navigate this aspect of your practice successfully. Remember, pricing is not static; it's an evolving process that should adapt to your clients' needs and industry dynamics.

Checklist: Putting value pricing into practice at your firm

- ❑ Determine who will calculate and approve new client estimates.
- ❑ Standardize and tier solution bundles.
- ❑ Set up tracking and surveys to measure and record the value in engagements. For example, you could track:
    - ❍ Dollars saved
    - ❍ Credits earned
    - ❍ Time saved for clients
    - ❍ Peace of mind
- ❑ Train staff on the structure of your new pricing and service model, and create KPIs to support them.
- ❑ Use visuals to pitch pricing, while selling results—not time.
- ❑ Communicate with existing clients to set new expectations.
- ❑ Standardize operations to help you focus on client relationships.

Download this PDF and use it in your firm.

How to pitch your packages

Putting a new pricing model into action can feel intimidating, especially when approaching existing clients with the changes.

Work through how you want to show the model to new and existing clients, whether you're sharing the model virtually or in person.

Bringing in visual components can help clients see the difference in the value provided and where they might best get their needs met. Prepare some slides or graphics to show clients and prospects the difference between a business where advisory is offered and one without it. Working to ensure your client understands the value of your services—and how they'll see increased revenue and success—helps attract and retain them.

Hughes uses these tactics at his firms. "We use a lot of visuals in our presentations and we speak to the benefits clients receive, not the tasks we will perform." He then aligns his pitch timing with wins his firm provided the client to underscore the value they provide.

"We don't increase prices often, but when we do increase, it's intentional and normally comes after a high-value win for the client that we're delivered. This is the time when a client is most likely to agree to an increase without much, if any, pushback."

> When what you offer is so valuable to them that they realize that their business will suffer setbacks or their lives will become more complicated as a result of you leaving, reasonable fee increases don't normally need to be justified. The value you provide justifies it for you.
>
> **– H. Randy Hughes III, CPA, EA, CTC, CTRS**
> **Counting Pennies LLC and Seven-Figure Profits LLC**

Some firms opt to present their highest priced option first, underscoring that level's valuable benefits. In turn, the lower tiers are positioned as packages where the client loses some of those benefits. In other words, you're saying, "If you purchase the 'good' level, you won't have the benefit of [insert your own benefit here]." The idea is that the fear of losing out on these benefits is more powerful than gaining them.

For other firms similar to those Hughes runs, start by presenting the basic tier and layering on the benefits from there. "The three-tier model actually helps us to sell more of what we call our Basic or Level 1 packages, because of the higher price-point," he said.

The bottom line is that your firm needs to show that it delivers benefits and value that are worth the cost. When those elements are in place, friction around value-based prices or price increases can dissipate.

"We found that when there is a consistent flow of value being provided, clients are less sensitive to price increases," said Hughes. "When what you offer is so valuable to them that they realize that their business will suffer setbacks or their lives will become more complicated as a result of you leaving, reasonable fee increases don't normally need to be justified. The value you provide justifies it for you."

Interview your clients: Good, better, or best?

If you're using a three-tier model to price and deliver your services, it's important to get your clients into the appropriate service tier for their needs. Turn this into a conversation—an opportunity to get to know your potential client better, guide them to the right-sized service option, and meet or exceed their expectations once you've begun an engagement.

Use or adapt these interview questions to help potential clients find the right tier of service. Note their answers and which service tier each would indicate. (You can also use the answers to help you hone your offerings over time so they're aligned with common client needs and requests.)

Can you please describe your business and industry?

Follow up: Build confidence by sharing your firm's experience within that industry, if applicable.

What are your key financial goals this year? Are you planning for growth?

Follow up: Repeat those goals in your own words to show you're listening and building trust. Offer an overview of your services that might support those goals.

Tell me about your current accounting structure, the software or solution you're using, and the tasks and functions you'd like us to take off your plate.

Follow up: Build confidence by letting the client know that repeatable tasks will be handled efficiently and accurately with state-of-the-art technology that will help them make better day-to-day operational decisions.

What requires the most immediate attention in your business? (For example, are your tax filings current?)

Follow up: If getting the books in order seems to be a budget concern, introduce the concept of value pricing, and assure the client that there will be no billing surprises, no matter how long any service takes.

Are there specific times of the year or points in your business cycle when you need the most support?

Follow up: Here's another opportunity to offer peace of mind with value pricing-no billing surges at busy times. There's just one monthly/annual fee, agreed upon upfront, based on the client's needs.

(continued)

What additional solutions or systems are you using? Is your data backing up automatically every night?

Follow up: Listen for any solution gaps, then offer benefits-first insight. Your good-better-best pricing model will allow the flexibility to find the best solution for their needs.

What would ideal communication between your team and ours look like for you?

Follow up: With value pricing, you can offer plans that include all the services your clients need—including advisory-at one fixed price with no hourly limit. Encourage them to reach out for the expertise and guidance they want, plus the bookkeeping basics they need.

Do you or your team need training or ongoing support related to tools and reporting?

Follow up: Build the client relationship by describing the training and support your firm can include in their package, including customizations if you're willing to offer them. Let the client know that having your firm in their corner is like having an expert on staff.

What did you like most about your previous accountant? What could we do differently?

Follow up: Repeat those goals in your own words to show you're listening. Ensure the client that you'd like to grow this new advisory relationship while helping them to grow their business.

See it in action: Value and subscription pricing in the real world

H. Randy Hughes III, CPA, EA, CTC, CTRS

Owner and chairman

Firm names: Counting Pennies LLC and Seven-Figure Profits LLC
Size: Seven part-time, remote staff
Location: Based in Florida, serving clients nationwide
Primary services: Bookkeeping and accounting, tax planning, tax resolution, fractional CFO advisory
Tech stack: Intuit ProConnect Tax, Intuit Tax Advisor, ChatGPT, PitBull, Canopy, Asana, SignNow, Fathom Notetaker, Fathom HQ (CFO), Canva, LastPass, Secure File Pro, Sync, Vimeo, WordPress, Opus, CapCut, Maxifi, Mailerlite, Acuity, Loom, Pensight, Wisestamp, Zoom
Pricing models: A combination of value and subscription pricing

Hughes was never a fan of transactional pricing; he runs his firm entirely with value-based and subscription pricing models. Hughes pulls back the curtain on what his rates are, how he sets up his offerings, and the benefits he and his staff get from these pricing structures.

Q: How has using a non-transactional pricing model affected your firm's revenue?

A: In our firm, we've been watching and monitoring pricing for a number of years. Last year, we sold the portion of our tax practice that focused on once-per-year preparation only engagements. In order for a business or individual to have us file their tax return, they must have either a monthly recurring bookkeeping or accounting engagement with us, a tax planning engagement with us, or a tax resolution engagement with us. If they have one of these other high-value engagements, then we allow them to submit tax preparation as a separately billed engagement. The price is based on value, not on time taken to prepare. Some returns may take us 45 minutes to an hour to complete (because we are familiar with the client), but we'll charge anywhere from $800-$1,500 for the return, depending on the value provided in that engagement. And these fees are in addition to any monthly recurring revenue or high tax advisory engagement they also have with us.

Q: You've never used the transactional model, but what led you to ditch a flat-rate model for a subscription model?

A: We have moved from a flat-rate model to a subscription-based model in that we require a tax planning or recurring monthly accounting engagement for those we engage for tax preparation. Our tax planning engagements come with an initial fee for planning, with the option for monthly subscription pricing six months into the engagement for ongoing guidance, advice, and support. We haven't faced challenges to subscription pricing, because either people see the value and pay it or they don't.

Q: How do you typically collect your fees for tax preparation services?

A: Upfront. We do not start until the entire fee is paid. We know what to charge because we do a free review of the previous year's tax return and because we have already engaged them for other services. This makes scope creep less likely to occur.

Q: Do you offer a three-tier menu of pricing options, and which tier do clients tend to choose?

A: We have used this model for some of our offers, in particular the tax planning engagements. However, many times we use it to make the cheapest option seem more attractive, because our tax plans range in cost from $5,600-$12,200. $5,600 is a lot for most people, but it's cheaper than $9,400 or $12,200, so the three-tier model actually helps us to sell more of what we call our Basic or Level 1 packages, because of the price-point.

Q: How do you price your advisory services?

A: Pricing depends on the engagement:

Tax Planning: We offer a flat rate based on the number of strategies we will provide. While we do provide the client with potential tax savings, we do not price based on tax savings so we are not in conflict with contingency fee rules. By pricing based on the number of strategies, we leave ourselves room to add more as added value, if we want to help the client get a nice return on their investment.

Tax Resolution: This is a two-phased approach. Phase 1 is information-gathering, and a flat fee between $2,000-$3,000 is charged for that. Phase 2 depends on the results of Phase 1. For example, is there an opportunity for a CNC (Currently Not Collectable), OIC (Offer in Compromise), or a PPIA (Partial Payment Installment Agreement)? If so, then we price based on what we feel the work on that engagement will take. Pricing in Phase 2 ranges from $2,900-$5,600.

CFO/SFP Advisory Services: We have two levels: CFO (for businesses under $2 million) or SFP (Seven-Figure Profits) for those more than $2 million looking to avoid the "Seven-Figure Poor" trap—high revenue with low profits and burnout. SFP includes all CFO services plus Profit Psychology to maximize profitability and sustainability, while learning how to avoid burnout. CFO starts at $3,000 per month and SFP starts at $4,200 per month.

Q: How do the multiple services you provide work together for optimal results?

A: Tax planning helps them to stay out of liability issues with the IRS and maximize tax savings. Tax resolution helps to deal with balances they come into the relationship with. CFO/SFP helps with business management and personal development, on top of profit maximization and sustainability without burnout.

Q: How did you transition your clients to advisory?

A: We offered advisory as an option for years. We held webinars on it and provided a taste of it at the end of tax preparation engagements, so that clients could experience the value of advisory first-hand. For those that saw the value and purchased, we continue to work with them. For those that either didn't see the value or preferred not to engage in an advisory service, we bundled those clients into a service offering and sold that portion of the tax practice.

Q: What has worked for you in maintaining positive client relationships?

A: Being proactive. Proactively reaching out. Proactively setting meetings with them. Proactively sharing advice and valuable insights with them. Not waiting for the client to come to us. We take the lead and go to them. Many accountants believe that silence equals a good engagement: "As long as the client isn't complaining, we're good." Nothing could be further from the truth. Clients are out there complaining about the services of many accountants, but they feel stuck in their relationship with nowhere to go. Being proactive helps accountants to cut that feeling off and prevent it from developing in the first place. And it maintains a very positive relationship.

Q: Do you plan to increase fees in 2025? What strategies do you use to ensure fee increases are justified by the value your firm delivers?

A: We will increase pricing based on our firmwide goals for 2026, including expenses we need to cover. We have found that when there is a consistent flow of value being provided, clients are less sensitive to price increases. When what you offer is so valuable to them that they realize that their business will suffer setbacks or their lives will become more complicated as a result of you leaving, reasonable fee increases don't normally need to be justified. The value you provide justifies it for you.

Q: How does Intuit ProConnect Tax help you make more informed pricing decisions or streamline pricing management?

A: ProConnect Tax is the only professional tax software that seamlessly takes you from books to tax to advisory because tax advisory and planning are built in with QuickBooks Online and Intuit Tax Advisor.

Together, ProConnect Tax changes the game for us as a firm and most accountants, in my professional opinion. To basically have one solution that takes a client from business transactions to tax preparation, to tax savings and advisory—all in one solution under the Intuit platform—is incredible. Each service is charged for separately to the client, and each step offers unique insights and value. The fact that everything is ready in moments and in one platform is amazing and a game-changer.

Don’t leave money on the table: How tech can add value

Technology isn’t just a workflow tool; it can also enhance your value-based pricing story. Here’s how ProConnect helps you deliver more value with less effort.

Intuit® ProConnect™ Tax is cloud-based professional tax software that allows you to create tax returns in minutes, from anywhere. ProConnect Tax streamlines workflows, automates tasks and reduces manual data entry errors, and creates efficiencies so work is completed faster. As an Intuit product, ProConnect Tax seamlessly integrates with QuickBooks Online Accountant, the go-to software when working with a business owner’s books.

One of the newest benefits of ProConnect Tax is Intuit Tax Advisor, an integrated advisory tool that automatically generates strategies for client tax savings. Intuit Tax Advisor is the only tax software that combines QuickBooks Online Accountant and Intuit Tax Advisor for maximum productivity and exceptional results.

> To basically have one solution that takes a client from business transactions to tax preparation to tax savings and advisory—all in one solution under the Intuit platform—is incredible. The fact that everything is ready in moments and on one platform is amazing and a game-changer.
>
> **– H. Randy Hughes III, CPA, EA, CTC, CTRS**
> **Counting Pennies LLC and Seven-Figure Profits LLC**

Notable features

Tax rules can change in an instant. In order to help keep you and your clients in the know, Intuit used client feedback to develop smart features, including the following:

- **IRS transcript direct access:** You can pull all of your client's transcripts directly from the IRS into ProConnect Tax; complete tax returns faster and more accurately with less client back-and-forth tasking.
- **Flags:** Tax preparers can flag missing data, estimates, and fields needing review within ProConnect Tax. Flagged items can be reviewed by clients and accounting professionals in an input drawer, which also houses imported documents, autofills tax document fields, and marks them for review.
- **Customized client letters:** Instead of typing emails manually to notify clients of flags, your firm can send templated letters with preset and customized tax return data fields.
- **1040 import:** Generate a tax summary comparison for the current tax year by creating a new client and using the relevant information from their previous year's Form 1040.
- **Seamless data conversion:** Intuit's Easy Start team of onboarding experts help customers just like you. They'll walk you through the process to ensure your clients' data is converted accurately.

Intuitive tools embedded in ProConnect Tax are among the integrations that save users money, time, and energy:

- **Intuit Tax Advisor:** Now included in ProConnect Tax, with Intuit Tax Advisor, you can generate tax strategies, create custom tax plans tax strategies, and even have visuals to show your clients.
- **Intuit Link:** Enjoy a cloud-hosted portal that gathers and manages clients' tax documents and data. With Intuit Link, instead of badgering clients for information, you can send them an email link request. Set up automated email reminders every seven days to log into the Link client portal and upload documents.
- **Electronic signature:** Intuit eSignature provides a quick and convenient way to request signatures. Rather than chasing down clients to sign in ink or using a third-party tool to request signatures, eSignature quickly collects digital client signatures.
- **Protection Plus:** With Protection Plus, receive access to a dedicated team of experts who can handle tax notices and audits.

Conclusion

Shifting from traditional hourly billing to value-based or subscription pricing can significantly enhance an accounting or tax firm's profitability and client relationships. Pricing strategies that reflect the true value of services, rather than just the time spent, allow firms to reward efficiency, provide more strategic advisory services, and create predictable revenue streams. Embracing this mindset shift empowers firms to better serve clients by focusing on their specific needs and outcomes, ultimately fostering stronger, long-term partnerships built on trust and tangible results.

Implementing technology like Intuit ProConnect Tax with Intuit Tax Advisor streamlines workflows and automates tasks, further adding value to client offerings. By leveraging such tools, firms can standardize operations, prioritize client experiences, and differentiate themselves in a competitive market.

Moving to value-based pricing offers long-term benefits—increased profitability, enhanced client satisfaction, and a more positive work environment—that can make it a strategic win for firms aiming to maximize their potential and thrive in the evolving accounting and tax landscape.