

How automation helps to drive up the value of professional services firms

A cheat sheet on technology's radical transformation of top Australian law and accounting firms.



IMAGE: ISTOCK.COM / PIXELIFT

Powering up profitability with automated solutions

Automation is transforming the business models of professional services firms, making them more efficient, more profitable and more readily available to focus on what matters most to their clients. So, how and where can you start to automate in your firm?

Technology is powering the future success of professional services. While remote working throughout the pandemic prompted many firms to fast-track their uptake of digital technologies, innovative practices are refining their automated offering and exploring new ways for digital tools to boost profitability and make their businesses more efficient and, ultimately, more valuable.

We asked four accounting and legal industry experts how technology is driving transformative opportunities for professional services firms.

What's the scope of automation for accounting and legal practices today?

David Hepburn, Global President of cloud-based legal practice management software company [Actionstep](#), says there are opportunities to automate “almost every step of the client journey” within a law firm.

“This includes the way you intake clients at the very start, through to how you manage their workflow throughout the engagement,” he says.

“Some of our clients have extraordinarily efficient workflows with the automation of tasks, documents and emails, right through to how they capture time, so that they don't leave dollars on the table.”

Hepburn says legal services such as conveyancing are being transformed through automation. “Traditionally, when you buy a house in Australia, you'd go to a lawyer and could pay around \$3,000 for conveyancing, but one of our specialist

conveyancer customers provides a fixed-price \$900 conveyance,” he says.

“They can do that because they've built an efficient automated workflow behind the scenes that's predictable every time.

“They conveyance thousands of properties a year for \$900 a pop. That's the sort of transformation that's possible when you put your back into automating services.”

In the accounting space, Grant Bloxham, founder and CEO of [Bstar](#), which provides business advisory technology solutions to accountants, says automation is a key profit driver for accounting firms.

“Accountants need to automate their core services, which are generally tax and compliance,” he says.

“Bstar's research shows automation can generate a 35 per cent efficiency gain when delivering sounding board solutions.”

GRANT BLOXHAM, FOUNDER AND CEO, BSTAR

“It frees up time to focus on one of the fastest-growing areas of advice in the professional services sectors, which is sounding-board solutions where accountants meet regularly with clients to help them focus on execution and accountability.”

Bloxham adds there's also scope to automate elements of advisory services. “Innovative practices are pricing client



THE NUMBERS

A snapshot of tech uptake and priorities for accounting and legal firms:

33.4% of accounting firms plan to adopt cloud technologies within the next 12 months.

90% of accounting firms use some form of analytics to glean more insight from their data.

20 or less work-in-progress days achieved by accounting practices that have automated their compliance services.

35% potential efficiency gain generated by automation, when delivering sounding board solutions.

50% of legal work related to major corporate transactions will be automated by 2024.

53% of legal firms in APAC plan to implement workflow technologies over the next 24 months.

80% of legal talent regard efficient processes as their most valued way of working.

45% of lawyers in private practice rank improving operations and workflow through technology as among their top three priorities for the next year.



IMAGE: ISTOCK.COM / JOHNNYGREIG

services based on contribution margins, not recorded hours,” he says. “Bstar’s research shows automation can generate a 35 per cent efficiency gain when delivering sounding board solutions, and financial returns are attained from system-generated workshop content, reporting and action-item management.”

What can be gained from automation?

The recent [Digital Disconnection Challenge](#) report from business management platform MYOB shows small and medium-sized enterprises (SMEs) lose an average of one working day each week on tasks that could be eliminated through the investment in digital tools.

Daniel West, Chief Sales and Support Officer at MYOB, says there are six critical business processes that, when digitised, can create significant value for accounting practices. They include managing clients and suppliers, handling cashflow and finances, managing employees, and the sales and marketing activities that generate revenue.

“For practice leads in particular, three areas that tend to take up their time are preparing client files and data, client services and managing work in progress,” he says. “These are important tasks to look at digitising.”

“AI technologies highlight key areas for lawyers to focus on, rather than having to go through a 60-page document, most of which may be boilerplate text. Clients want lawyers to be focusing on the crux of their issues.”

**JAMES BIBLE, SALES DIRECTOR
ASIA & EMERGING MARKETS,
THOMSON REUTERS ELITE**

The pandemic prompted more accounting firms to embrace technology. The [2022 State of Accounting Firms Trends Report](#) by audit and accounting software firm CaseWare shows 90 per cent of respondents are using some form of analytics to glean more insight from their data, more than half are using software automation to cut time spent on repetitive tasks and almost two-thirds plan to adopt cloud technology in the next two years.

In the legal space, tools like time-tracking software can help firms make every minute count. “Time-tracking software can potentially capture 15 minutes’ worth of additional work a day, which can ▶



KEY PROCESSES

6 critical business processes that, when digitised, can create significant value for accounting practices:

- 1** Managing jobs: quoting, scheduling, documentation, tracking.
- 2** Managing staff: payroll, workforce management.
- 3** Managing suppliers: inventory management.
- 4** Managing banking and cashflow: invoicing, payments.
- 5** Managing finances and compliance: tax, core accounting.
- 6** Generating revenue: CRM, point of sale (POS) integrations.

DANIEL WEST, CHIEF SALES AND SUPPORT OFFICER AT MYOB

Source: MYOB Digital Disconnection Challenge Report

equate to significant dollars over a year,” says James Bible, Sales Director Asia & Emerging Markets at [Thomson Reuters Elite](#), which provides business management solutions to professional services firms.

“If you get distracted and you didn’t write down what time you started that project or what time you finished, when you are charging a rate of \$400 an hour, that extra 15 minutes really adds up, especially for firms with 40 or 50 lawyers.”

What are the benefits for clients?

The automation of mundane, repetitive tasks allows lawyers and accountants to focus on delivering an individualised service that presents greater value to their clients.

“A lot of legal firms are looking at how they can utilise AI and machine learning to streamline and expedite tasks like contract reviews,” says Bible. “The benefits of this flow through to the client because AI technologies highlight key areas for lawyers to focus on, rather than having to go through a 60-page document, most of which may be boilerplate text. Clients want lawyers to be focusing on the crux of their issues.”

Helpburn notes that automation can help clients get the service they need – faster. “I’ve seen legal firms organise themselves around client intake in an elegant way using bots to interact with a new prospect on their website and then route them to the very lawyer that they should talk to within the firm,” he says.

How can automation boost employee attraction and retention?

In a tight labour market, future-focused, digitally enabled companies have a competitive edge. In the legal industry, for instance, [research from Thomson Reuters](#) shows more than 80 per cent of legal talent regard efficient processes as their most valued way of working, while 29 per cent believe their firm is not innovative and would be prepared to leave because of it.

“Automating a function like the debt recovery process, for example, means

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DAVID HEPBURN, GLOBAL PRESIDENT, ACTION STEP

someone in the finance team is not having to spend time chasing invoices, and can focus on other tasks that build their skills, provide more variety, satisfaction and value,” says Bible.

What’s the best way to deploy digital technologies?

Paul Goessler, Westpac’s National Head of Professional Services says, “There are many labour-intensive, repetitive, data-driven processes that can be automated, which will enable firms to focus their attention on creating more value for their clients and more value for their business.”

For wide-scale digital deployment, West suggests building a digital strategy that incorporates change-management techniques.

“Changing anything in a larger firm can be more difficult due to the scale of data and processing required,” he says.

“Digitising may result in process change and will require an understanding of what that looks like, as well as education and bringing employees along for the journey. This will vary in complexity depending on the size of the firm.”

For relative beginners to technology, West suggests identifying the most onerous tasks, or those most prone to human error.

“For example, how do you invoice your customers? For a sole trader, this might still be a manual process. The question to then ask is, ‘how can I do this better?’ ▶



WHERE TO START WITH AUTOMATION?

- 1** Prioritise automisation of simple tasks.
- 2** Consider functions that are prone to human error, or particularly onerous.
- 3** Debt recovery is a popular first choice, as it frees up finance professionals for valuable, future-facing advisory work.

You may want to look more professional, give customers better payment options, track customer payments, or simply have the flexibility to invoice on the go.

“Then ask yourself, ‘what digital tools are there to help do this?’, and ‘will they work with other tools already being used in the practice?’”

More than 80 per cent of legal talent regard efficient processes as their most valued way of working, while 29 per cent believe their firm is not innovative would be prepared to leave because of it.

SOURCE: THOMSON REUTERS

Hepburn recommends starting with the automation of simple tasks. “Things like document automation is a simple place to start,” he says.

“Look at getting some basic automated workflow in place so that you can start to indoctrinate how you work across the practice, how you create tasks, who sees these tasks, or how emails are constructed to clients.

“From there, you’ll start to see benefits that you can build on.



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