

ACCOUNTING  
INDUSTRY  
EDITION

# THE 2021 STATE OF CRM IN PROFESSIONAL SERVICES

Authored by Donna Fulmer and David Ackert  
Foreword by Randy Johnston

# TABLE OF CONTENTS

Foreword.....	3
Executive Summary.....	4
Data Analysis.....	5
Marketing Budget.....	6
How Many Accounting Firms Have CRM.....	7
How Many Accountants Use CRM.....	7
How Much Accounting Firms Spend on CRM in a Typical Year.....	8
Types of CRMs and Add-on Platforms.....	9
Cloud-based vs. On-Premise CRM Systems.....	10
CRM Platform Integrations.....	11
CRM Effectiveness.....	12
Accountants Who Use CRM for Sales Pipeline Management .....	13
CRM Adoption Challenges.....	13
What Accountants Who Don't Use CRM for Sales Pipeline Management Use Instead.....	14
Accountability for Using CRM.....	15
Tools and Initiatives Accounting Firms Use to Increase CRM Adoption.....	16
Quantifiable ROI CRM Delivers.....	17
Pipeline Management Tools Used by Accounting Firms.....	18
Accounting Firms' Biggest Business Development Challenges.....	19
Conclusion.....	20
Other Services.....	23
Authors and Foreword Credits.....	24



## FOREWORD

By Randy Johnston, MCS, Executive VP, K2 Enterprises

CRM may be a four-letter word for many accounting professionals, but business development is not. While CRM technologies have been available to the profession for decades, effectiveness has been limited. The relegation of CRM into the marketing or administrative parts of the firm has reduced the effectiveness of CRM. In effect, the possible results and ROI are diminished by not building a culture of CRM usage by everyone in the firm. Further, practice management, email, and portal systems do not have enough information to control client interactions.

This year's State of CRM survey results should provide statistical insights for partners and owners to make course corrections in their business development efforts. For example, while most firms have a CRM platform, around half conclude that their business development team does not have the technology to be effective and that less than that use CRM for their firm's pipeline.

While these results may reflect that there has been ample opportunity during the pandemic and that firms have had record profits for the past few years, the business climate is shifting. As a result, competition for the best work will intensify whether those engagements are in Client Accounting Services, Advisory Services, or other specialty niche work.

You will want to carefully digest the results of this study to determine if your firm needs to course-correct and integrate CRM more broadly in your practice. Finally, if you have been working too hard in your practice, it may be time to work on your practice with business development correctly enabled with CRM.



# EXECUTIVE SUMMARY

In September 2021, Ackert Inc. conducted the sixth installment of its market-wide study on Client Relationship Management (CRM) software adoption and utilization in law firms. This year, for the first time, we surveyed respondents from accounting firms, too. This white paper is a continuation of similar studies conducted since 2015. It examines trends in CRM utilization based on the responses of 134 U.S. accounting firms.

## Key Findings:

More than 9 out of 10 accounting firms have a CRM platform.

More than 3 out of 4 accounting firms report that their CRM users are not accountants.

Only 17% of accounting firms rate their CRM as being highly effective for pipeline management.

Fewer than half of the accountants who use CRM regularly use it for sales pipeline management.

6 out of 10 accountants still use Word documents instead of CRM, and slightly fewer still use Excel spreadsheets.

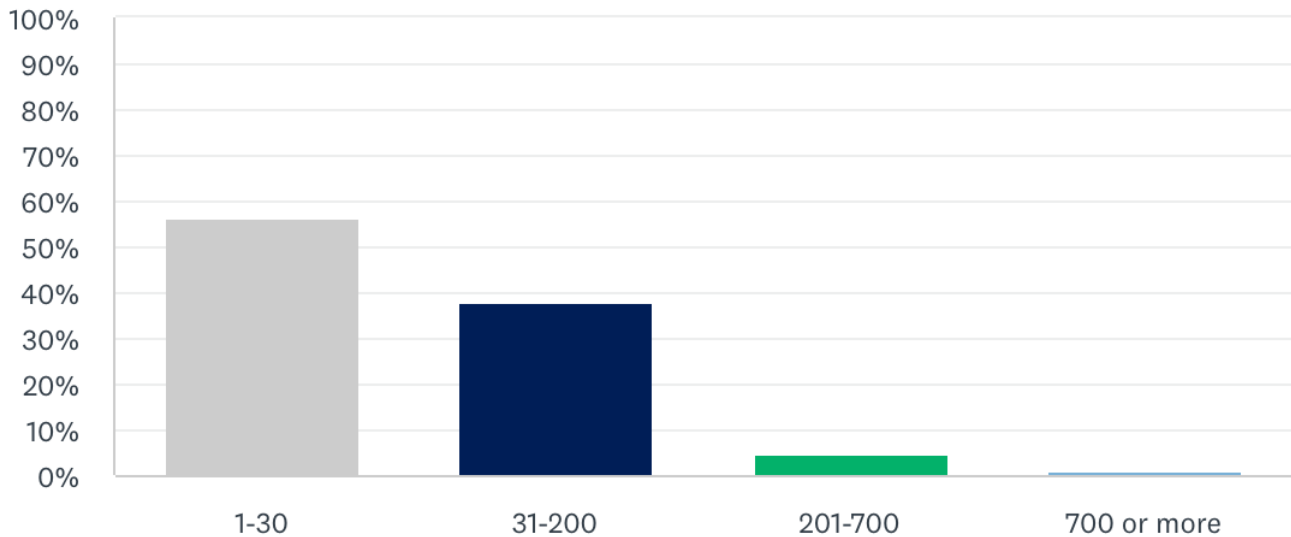
Accounting firm marketing/business development leaders lack an understanding of accountability's critical role in ensuring accountants' CRM adoption.

Nearly 6 out of 10 accounting firms report that business developers don't have the technology they need to be effective.

## DATA ANALYSIS

We asked 134 U.S.-based accounting firm marketing and business development professionals to answer a series of questions regarding demographics, technology platforms, budget allocations, user adoption, ROI, integration, support services, and business development tracking and accountability initiatives.

### Data Analysis

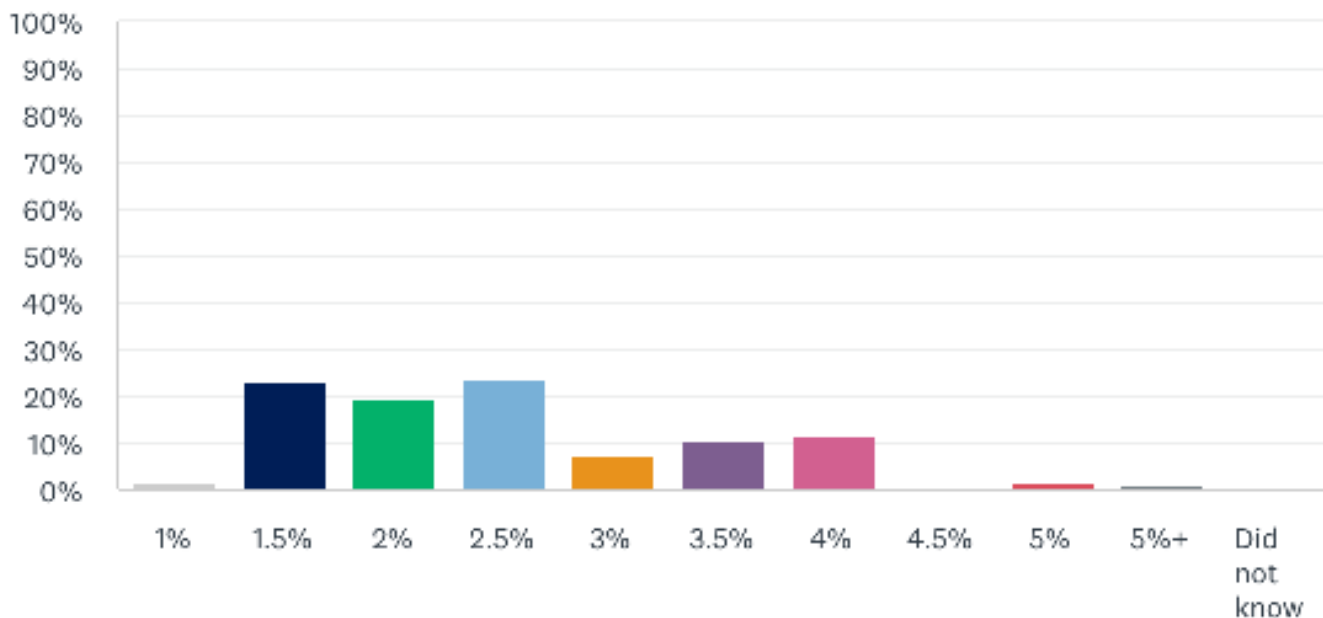


Survey respondents represented firms of all sizes. We asked them to quantify the size of their firms based on the number of accountants. More than half of firms (57%) have 1-30 accountants, and almost 4 out of 10 (38%) have 31-200. Only 5% of respondents report that their firms have more than 200 accountants.

## MARKETING BUDGET

We asked respondents to quantify the size of their marketing budgets as a percentage of firm revenue, excluding salaries. The response to this question indicates whether a firm can afford or how much of an investment it can make in CRM.

Marketing Budget

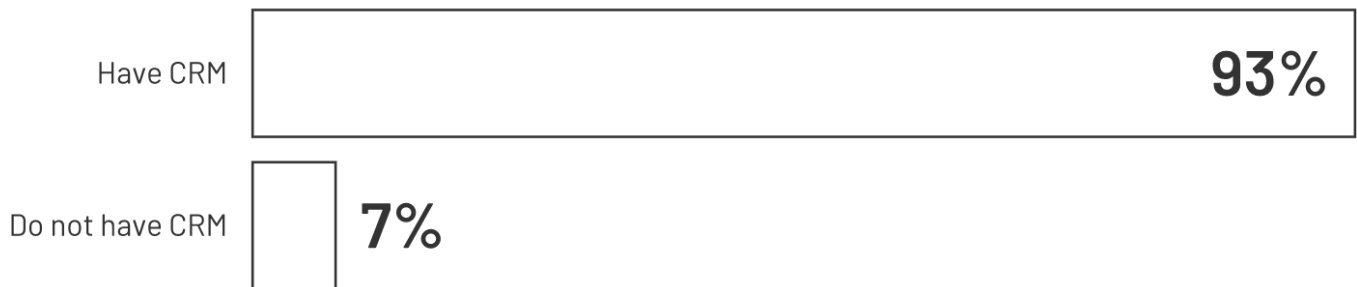


**More than 6 out of 10 accounting firms (67%) have marketing budgets between 1.5% and 2.5%.**

## HOW MANY ACCOUNTING FIRMS HAVE CRM

According to respondents, more than nine out of 10 (93%) accounting firms have CRM, and just 7% do not because they do not need it.

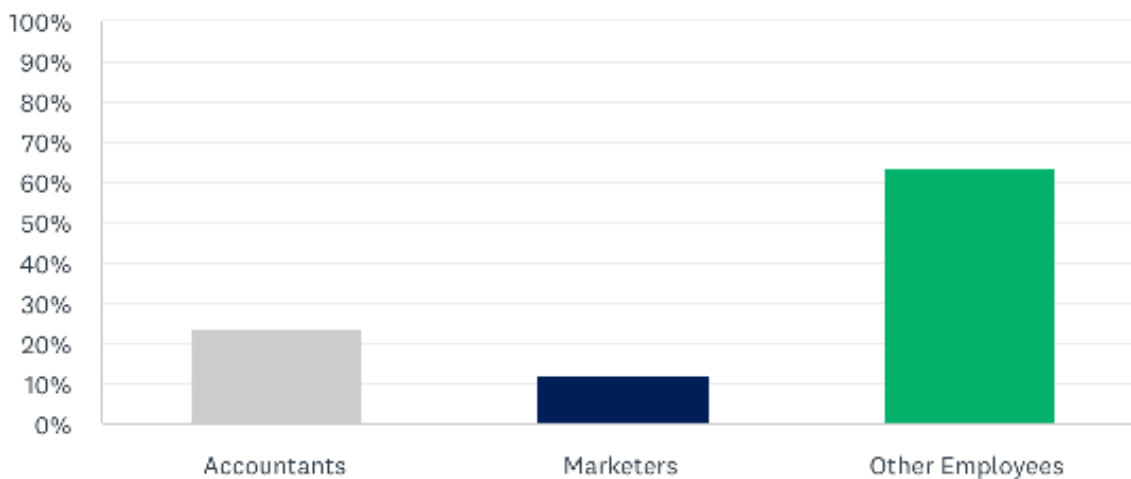
How Many Accounting Firms Have CRM



## HOW MANY ACCOUNTANTS USE CRM

We asked respondents to identify the CRM users at their accounting firms, accountants, marketers, or other employees. 12% of CRM users at accounting firms are marketers, and 64% are other employees. Accountants use CRM at fewer than a quarter of firms.

How Many Accountants Use CRM

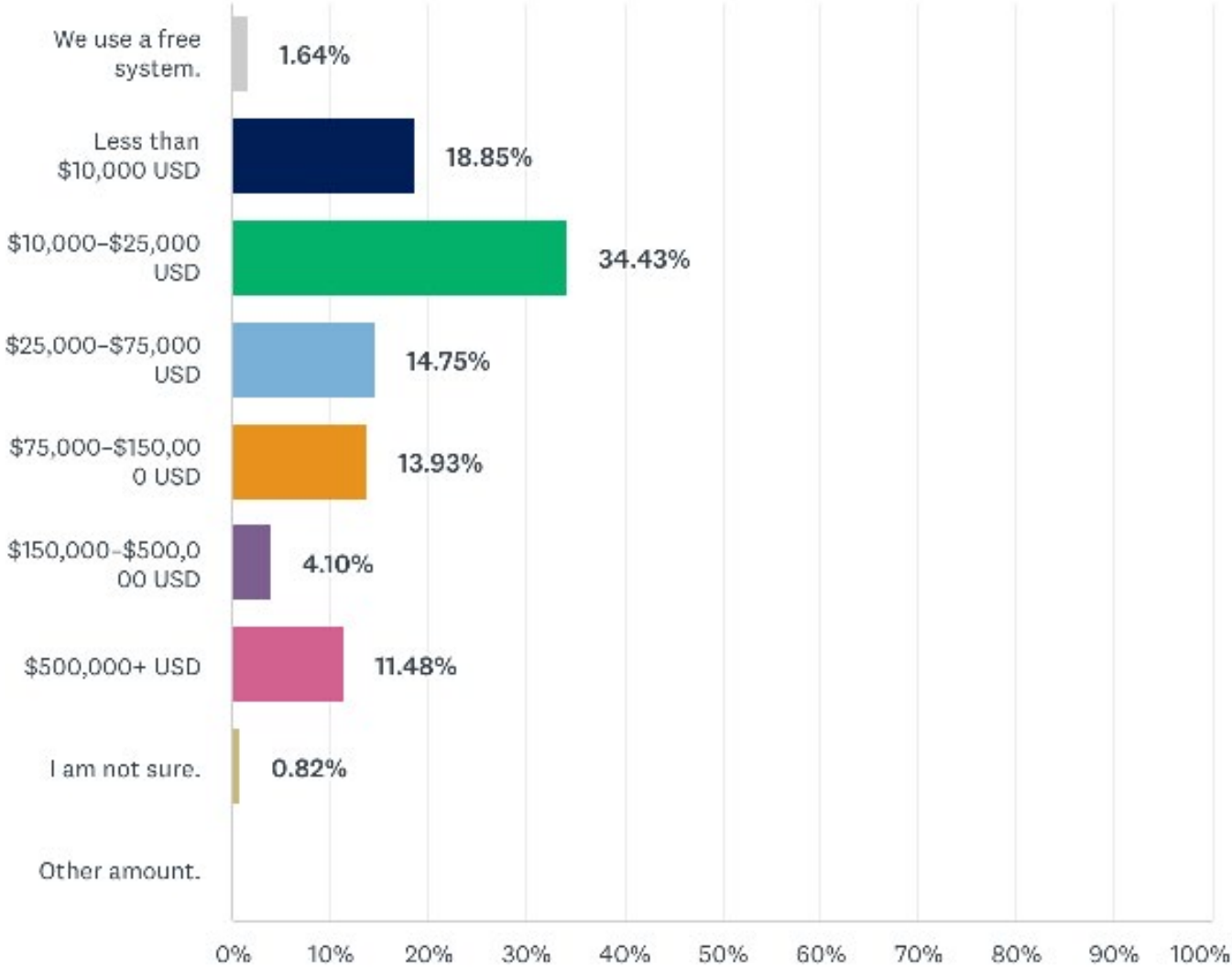




# HOW MUCH ACCOUNTING FIRMS SPEND ON CRM IN A TYPICAL YEAR

More than a third (34%) of accounting firms surveyed pay between 10,000 and 25,000 U.S. dollars per year on their CRM platform. Surprisingly, more than one in 10 (11%) pay more than half a million dollars per year on CRM. Only 2% of accounting firms use a free CRM system.

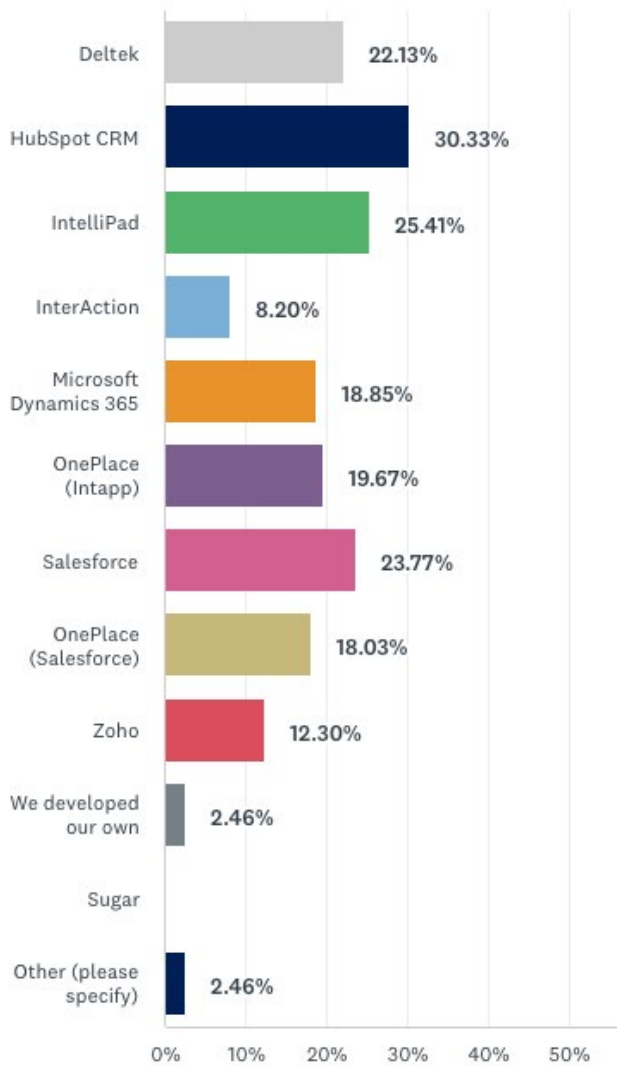
How Much Firms Spend on CRM





# TYPES OF CRMS AND ADD-ON PLATFORMS

Types of CRM Platforms



Of 16 types of CRMs and add-ons, the platform used most by accounting firms is HubSpot (30%). Approximately a one in four firms uses Intellipad or Salesforce (25% and 24%, respectively).



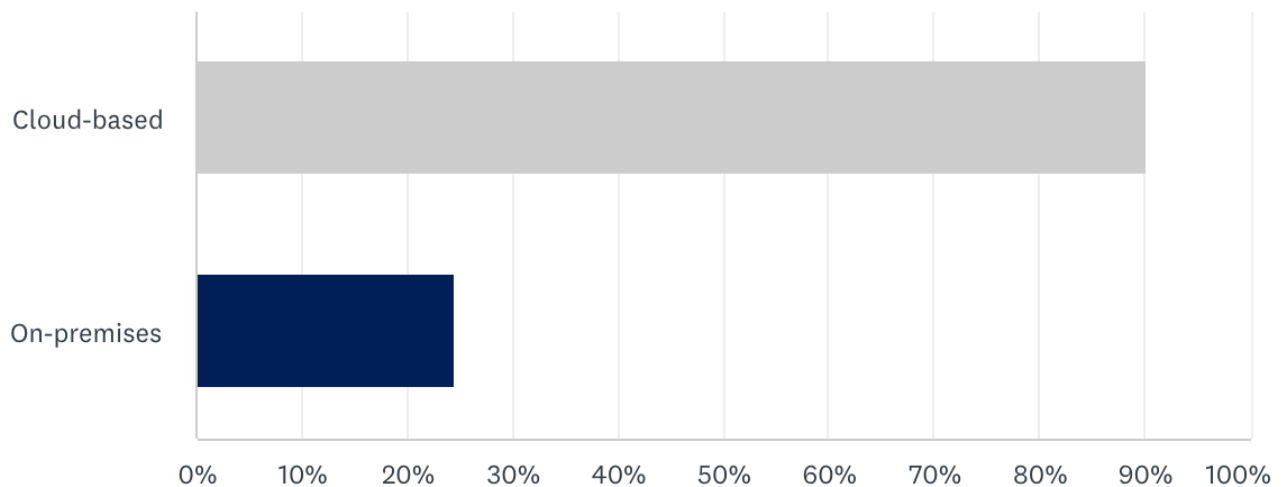
Enjoying this white paper so far?  
Message it to a colleague or friend.

Share now

## CLOUD-BASED VS. ON-PREMISE CRM SYSTEMS

We then asked whether accounting firms' CRM is cloud-based or on-premises. Nine of 10 firms report they use a cloud-based CRM, which is not surprising. However, 25% report they use an on-premises CRM, indicating 15% of firms use both a cloud-based and on-premises CRM platform.

Cloud-Based vs On-Premise CRM



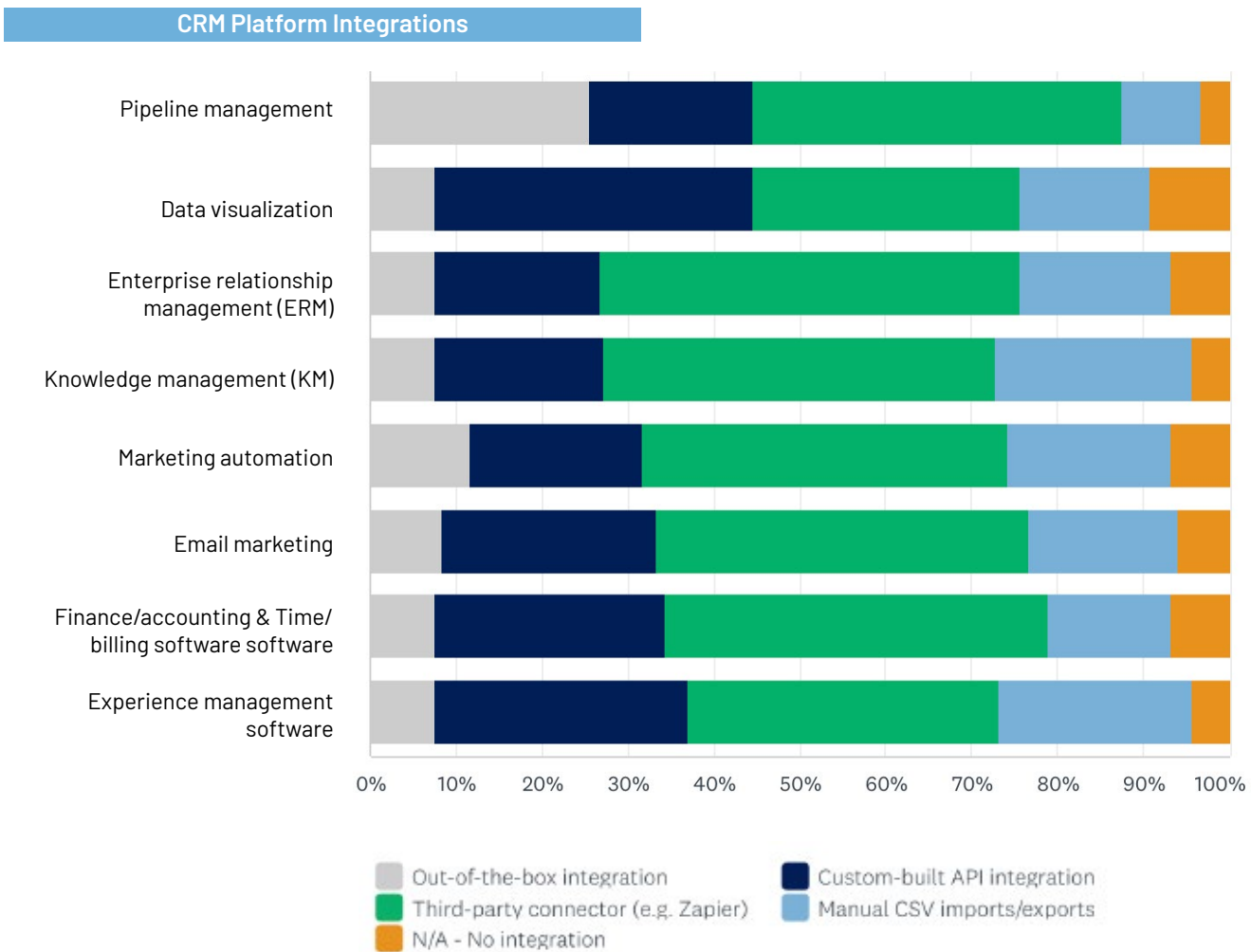
***9 in 10 accounting firms use a cloud-based CRM platform.***

[Tweet this](#)

## CRM PLATFORM INTEGRATIONS

Next, we asked respondents what platforms they have integrated with their CRM and how they are integrated. Of eight types of CRM software integrations, an average of 94% of accounting firms have every platform. 97% of firms have a pipeline management platform.

The highest percentage of firms (an average of 42%) use third-party connectors for each platform, except for data visualization. A higher percentage of firms have custom-API integrations for data visualization (37% vs. 31%).

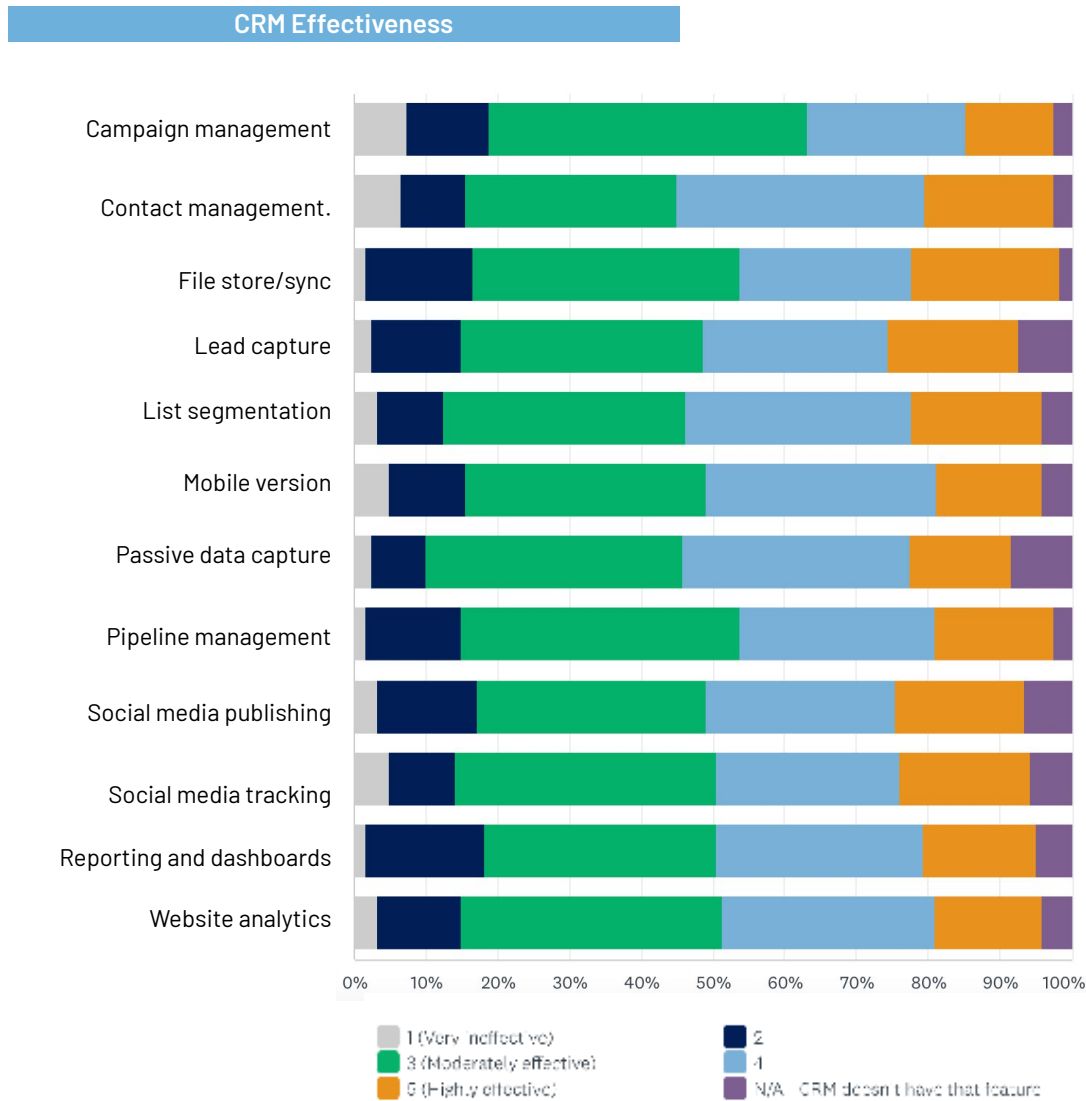


The integration the second-highest percentage of firms use is custom-built APIs (an average of 26%).

Across platforms, an average of 17% of accounting firms use manual CSV imports, and just 10% have out-of-the-box integrations.

# CRM EFFECTIVENESS

We asked respondents to rate the effectiveness of their CRM tool on a scale of 1-5 (1 being very ineffective and 5 being highly effective) for each of 12 essential marketing/business development functions. Overall, an average of 35% of accounting firms rate their CRMs as moderately effective across the 12 functions. Fewer than one in five firms (17%) rate their CRM highly effective.



**35% of accounting firms rate their CRM as only moderately effective for pipeline management.**



[Tweet this](#)

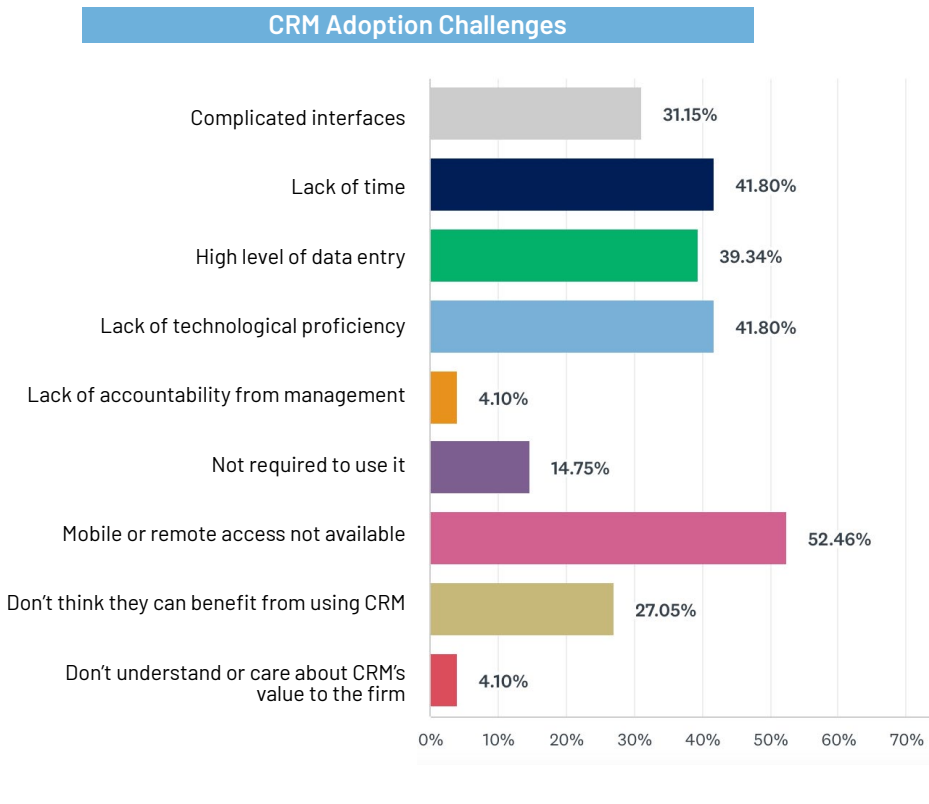
## ACCOUNTANTS WHO USE CRM FOR SALES PIPELINE MANAGEMENT

Next, the survey asked of accountants who use CRM what percentage use it regularly for sales pipeline management (defined as at least once every two weeks). According to respondents, fewer than half of accountants (47%) use CRM regularly for sales pipeline management.

**Considering that accountants use CRM at 24% of firms, they use it regularly for sales pipeline management at just 11% of firms.**

## CRM ADOPTION CHALLENGES

For accountants who do not utilize CRM for business development at their firms, the survey asked respondents to select the top three of eight factors they believe contribute to low adoption. Interestingly, more than half of accounting firms (52%) cite the lack of mobile or remote access as impeding CRM adoption. The second most cited factor is a tie at 42% between lack of time and lack of technological proficiency. 27% of firms say not thinking they benefit from CRM as being a challenge.



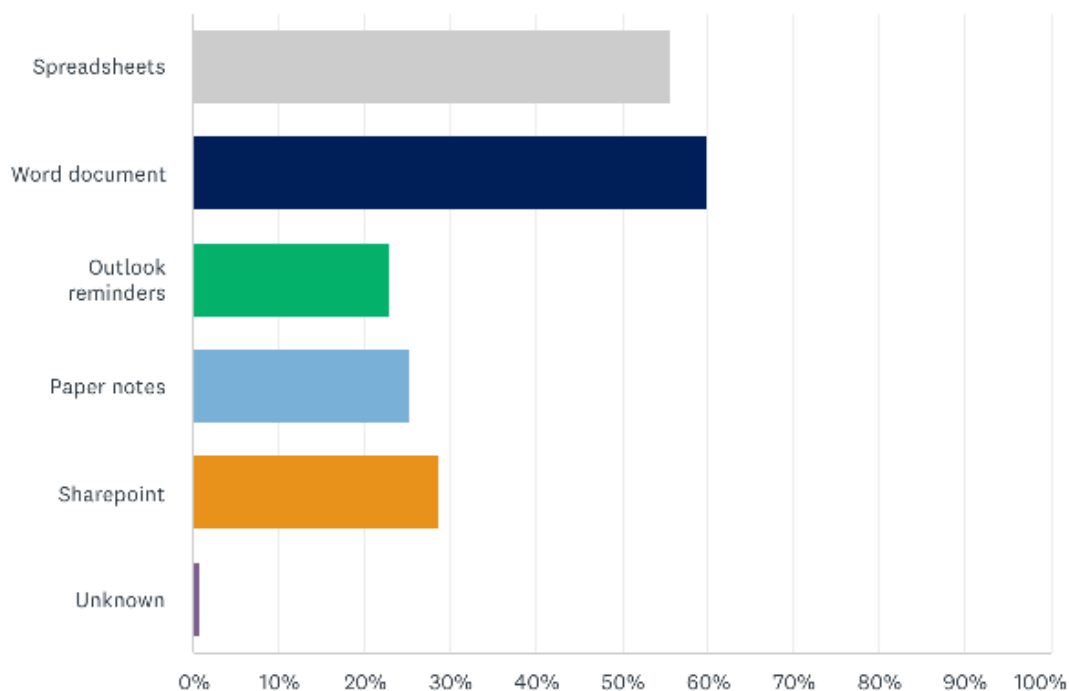
The factor the lowest percentage of accounting firms (4%) identify as contributing to low CRM adoption is a tie between lack of accountability from management and lack of understanding or care about CRM's value to the firm.

## WHAT ACCOUNTANTS WHO DON'T USE CRM FOR SALES PIPELINE USE INSTEAD

According to our survey, despite all the press about how accounting firms boosted their technology adoption due to the pandemic, 60% of accountants still use Word documents, and 56% use Excel spreadsheets instead of CRM for tracking business development.

One in four accountants (25%) still use paper notes instead of CRM for sales pipeline management.

Using Instead of CRM for Sales Pipeline



***1 in 4 accountants (25%) still use paper notes instead of CRM for sales pipeline management.***

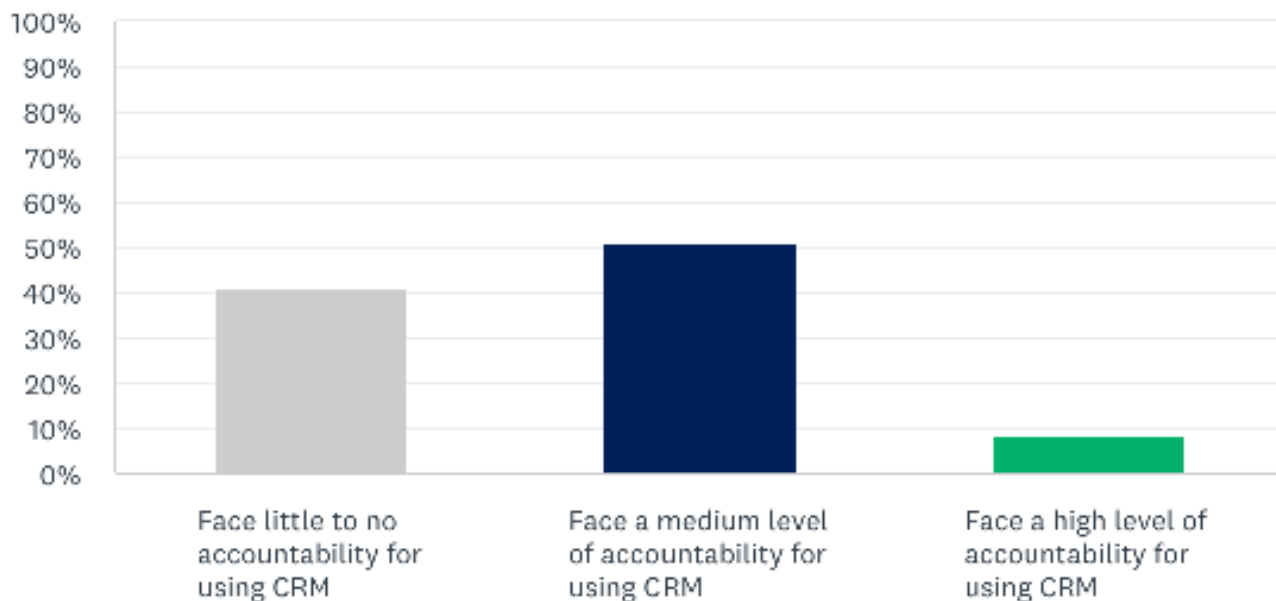


Tweet this

## ACCOUNTABILITY FOR USING CRM

When we asked respondents earlier in the survey to identify the top three factors contributing to low CRM user adoption at their accounting firms, only 4% cited lack of accountability. But in decades of work with accounting firms, we have witnessed how critical it is for leadership to have accountability measures in place for seller-doers to optimize a business development program's success.

Accountability for Using CRM



To further explore to what extent accounting firms hold accountants accountable, we asked respondents to describe, based on a scale of 1 to 5, the level of accountability firms hold accountants to for using CRM regularly for tracking business development.

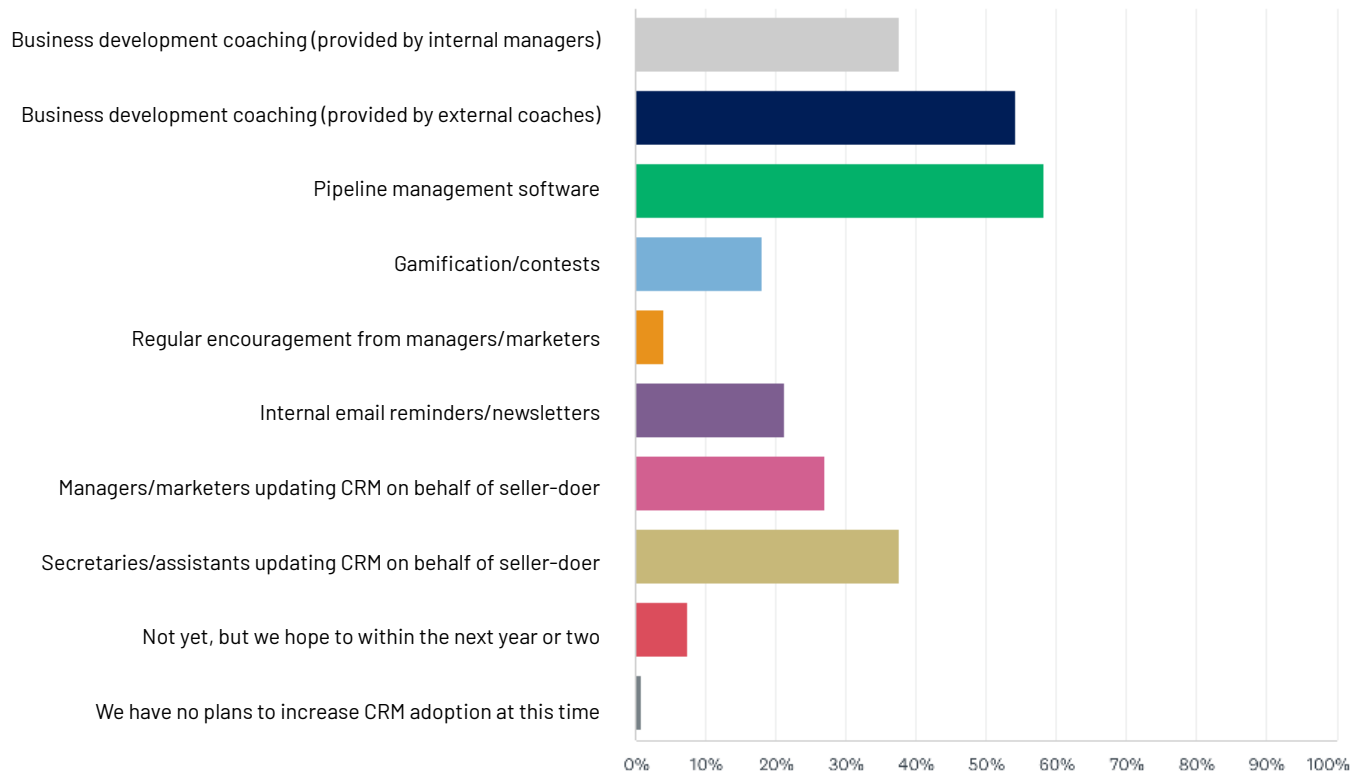
Accountants face little to no accountability for using CRM regularly for business development at 41% of firms and only a medium level of accountability at more than half of firms (51%). Fewer than one in ten (8%) firms hold accountants to a high level of accountability for using CRM regularly for business development. Yet, respondents from only 4% of firms acknowledge lack of accountability as a leading CRM adoption challenge.

**It seems that accounting firm marketing/business development leaders may lack an understanding of the critical role accountability makes in ensuring accountants' CRM user adoption.**

# TOOLS AND INITIATIVES ACCOUNTING FIRMS USE TO INCREASE CRM ADOPTION

In addition to accountability, accounting firms can implement many other tools and initiatives to boost CRM user adoption among accountants. We asked respondents what their departments have used from a list of eight options.

Tools Accounting Firms Use to Increase Adoption



Interestingly, pipeline management software is the CRM initiative the highest percentage of accounting firms use (58%). The second-most-used initiative is business development coaching provided by external coaches (54%). Another interesting finding is that the same percentage of accounting firms use secretaries/assistants to update CRM on behalf of accountants as firms who provide business development coaching by internal coaches (38%). Manager/marketers update CRM on behalf of accountants at more than one in four firms (27%).

**Also, a telling follow-up to our findings on the level of accountability accounting firms hold accountants to for regular use of CRM for business development tracking is that accountants receive regular encouragement to use CRM by managers/marketers at only 4% of firms.**



Share this

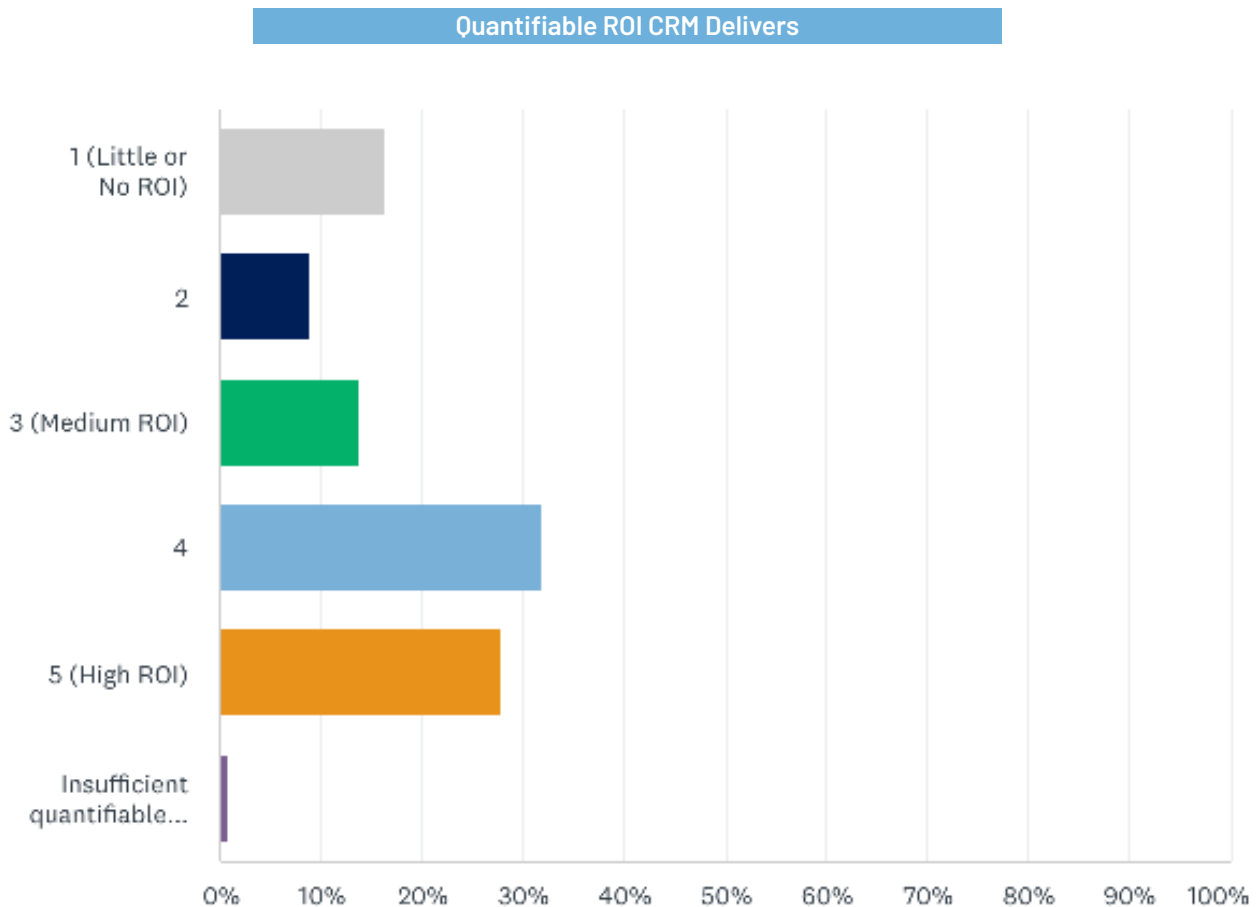


## QUANTIFIABLE ROI CRM DELIVERS

Perhaps the million-dollar question is how much return on investment accounting firms get from their CRM platforms. On a scale of 1 to 5, we asked respondents what level of quantifiable investment their CRM delivers.

32% of accounting firms report that their CRM provides a level 4 ROI, and 28% that it provides a high level of ROI.

18% report they get little to no ROI.

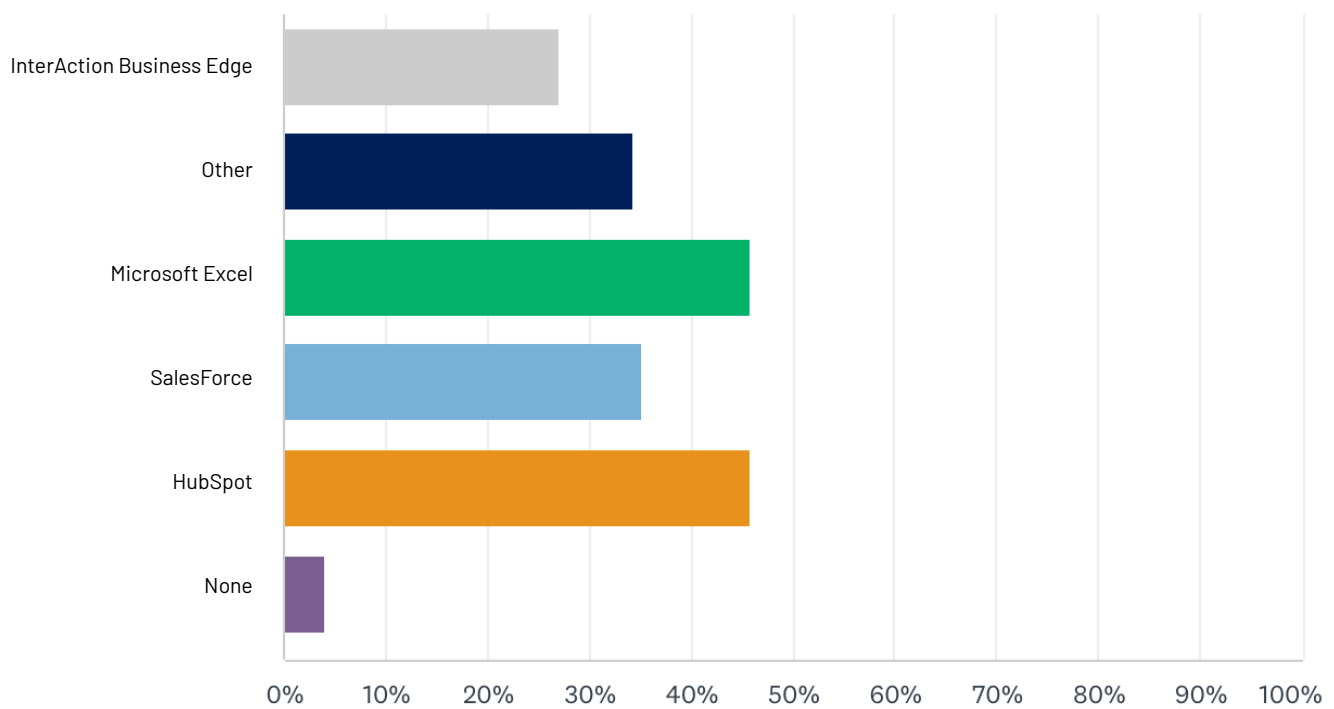


## PIPELINE MANAGEMENT TOOLS USED BY ACCOUNTING FIRMS

We then asked respondents which pipeline management tools they use at their firms. Interestingly, the pipeline management tool used by the highest percentage of accounting firms - 46% - is a tie between HubSpot and Excel spreadsheets.

Fewer than 5% of firms report not having a pipeline management tool.

Pipeline Management Platforms Used by Accounting Firms



# ACCOUNTING FIRMS' BIGGEST BUSINESS DEVELOPMENT CHALLENGES

Our survey concluded by asking respondents to share accounting firms' biggest business development challenges during normal market conditions. The top business development challenge cited by the highest percentage of accounting firms (57%) is that business developers don't have the technology they need to be effective.

## Biggest BD Challenge



The second biggest challenge accounting firms face is a tie between business developers and accountants not prioritizing business development enough and champions of business development not having enough influence (both 39%). The third is business developers/accountants not having the skills they need to be effective (37%).

## CONCLUSION

Since the onset of the COVID-19 pandemic in the first quarter of 2020, accounting firms have experienced a digital transformation, with even the most conservative and tech-averse firms quickly pivoting to enable remote work and meet rising client demands. With traditional business development activities like in-person meetings, conferences, and networking events put on hold indefinitely, firms quickly learned to rely on webinars, podcasts, blogs, virtual events, and social media to gain business development leads and nurture relationships through the funnel.

But no matter what the tactic, business development takes consistent and persistent work. Busy accountants, who are more interested in and comfortable doing the billable work they were trained to do, rely on marketing and business development leaders to provide the training, systems, and tools to make business development possible.

Unfortunately, as our research shows, while more than nine out of 10 accounting firms have a CRM platform, fewer than one in three firms report getting a high, quantifiable return on investment from it. And, while firms find their CRM to be effective for a few marketing/business development functions, just 17% find it effective for pipeline management, which is a crucial aspect of growing firm business.

What's more, our research shows that accountants use CRM regularly for sales pipeline management at just 11% of firms.

### **So why are firms' CRM platforms not being widely used for pipeline management?**

According to our survey, the top three CRM adoption challenges at accounting firms are:

- Lack of mobile or remote access (52%).
- Lack of time (42%)
- Lack of technological proficiency (42%).

### **Do accounting firms hold accountants accountable for using CRM?**

The results on this topic were troubling. When asked about factors contributing to low CRM adoption, just one in five accounting firms identified lack of accountability from management. Yet, respondents also report that fewer than one in 10 firms hold accountants to a high level of accountability for using CRM.

It seems that accounting firm marketing/business development leaders may lack an understanding of the critical role accountability makes in ensuring accountant CRM user adoption.

Outside of not doing a great job of holding accountants accountable for using CRM, it's not as though accounting firms aren't using tools and initiatives to increase adoption. Firms provide pipeline management software and coaching provided by external coaches at over half of firms (54% each).

When asked about accounting firms' usage of pipeline management tools specifically, respondents cited Excel spreadsheets equally as often as the most used pipeline management platform, HubSpot (both 46%).

Despite the digital transformation journey accounting firms quickly embarked on when the pandemic hit, they still rely heavily on Excel spreadsheets and Word documents for business development and sales pipeline management – table stakes digital tools introduced before the digital transformation even began.

*PIPELINEPLUS* is a relationship management system for the busy professional. With a simple, intuitive interface, it solves many of the biggest challenges associated with low CRM adoption like excessive data entry and constrained time.

With our quick setup process, users have a sales pipeline up and running in just 5 minutes. *PIPELINEPLUS* prioritizes users' most important relationships so that business developers stay focused. It also provides AI-powered insights and recommendations on how to close new business, addressing the business development skills gap cited by many firms in this study.

Built-in tutorials provide business development best practices, so business developers always know what to do next.

*PIPELINEPLUS* integrates with Outlook calendars and can be used as a standalone tool or integrated with CRM as a power app to boost pipeline adoption.



To learn more, visit [www.ackertinc.com](http://www.ackertinc.com)  
or [contact us](#) with any questions.



**Request Demo**



# OTHER SERVICES



**BD TRAINING**



**SALES AND BD  
COACHING**



**ROUNDTABLES  
FOR FIRM  
LEADERS**



**WEBINARS AND  
WORKSHOPS**



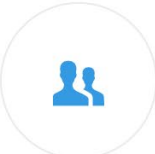
**EXECUTIVE  
COACHING**



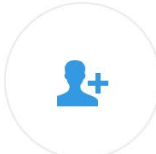
**LEADERSHIP  
DEVELOPMENT**



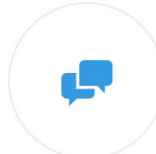
**TRAIN THE  
TRAINER**



**CONSULTING**



**FRACTIONAL CMO**



**CLIENT FEEDBACK**

## AUTHORS



Donna Fulmer is Ackert's Manager of Research and Content. Prior to joining Ackert, Donna served several technology companies as an independent marketing consultant, and was the market research and media communications manager for a leading cross-channel marketing platform.

David Ackert, M.A., is the President of Ackert Inc. and its subsidiaries, and business development mentor to thousands of high-achieving professionals in the legal, corporate, A/E/C, and accounting sectors.



Over the past two decades, David has developed and implemented revenue acceleration programs for hundreds of professional services firms around the globe. He is the founder of several technology platforms including the *PIPELINEPLUS* software suite. His programs are winners of "Your Honor Awards" in both the U.S. and Canada, are featured in NLJ's "Technologies on the Rise," and rank as the top-rated offerings in their G2Crowd category.

David regularly keynotes at partner retreats and serves as a guest lecturer at USC's Marshall School of Business, Carnegie Mellon University, and at the UCLA School of Law. His work has been published and quoted in several business books and media, including the Los Angeles Times, the National Review, the Daily Journal, and more.

## FOREWORD BY RANDY JOHNSTON



Randolph P. (Randy) Johnston, MCS, has been a top-rated speaker in the technology industry for over 40 years. Inducted into the Accounting Hall of Fame in 2011, Randy is listed as a Top 25 Thought Leader in Accounting from 2011-2022. In 2021 he was the recipient of the Accounting Today Top 100 Most Influential People in Accounting award for the eighteenth consecutive year. Among his many other awards, Randy holds the honor of being one of nine technology stars in the U.S. by Accounting Technology Magazine. In addition, he writes a monthly column and produces a weekly podcast for The CPA Practice Advisor, features for the Journal of Accountancy, creates articles for accounting and technology publications, and is the author of numerous books. Randy has started and owns multiple businesses, including K2 Enterprises and Network Management Group, Inc. NMGI has supported CPA firms for 30+ years and is the largest managed service provider serving the CPA profession in North America.