

Accounting Services

William Blair's Second Annual Executive Survey

Equity Research
Global Services | Consulting

February 2, 2026
Industry Report

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Executive Summary

The accounting services industry is massive but, with limited exceptions (e.g., CBIZ and Andersen), almost entirely privately held. There are thus limited publicly available data points on the industry to help inform investors, companies, and other industry stakeholders as to the key trends impacting the industry on both a short- and medium-term basis. With this in mind, and in partnership with Winding River Consulting, we conducted our second annual survey of accounting services executives (78% of respondents are the top executive at their respective firm [e.g., president, CEO, or managing partner], with an additional 20% of respondents in some other executive management role) on a variety of key industry dynamics, including organic revenue growth, pricing, the talent environment (including compensation), AI and automation, the use of non-U.S. labor, and M&A, with insights on both a backward-looking and forward-looking basis, where appropriate. Key highlights from the second edition of our survey include the following:

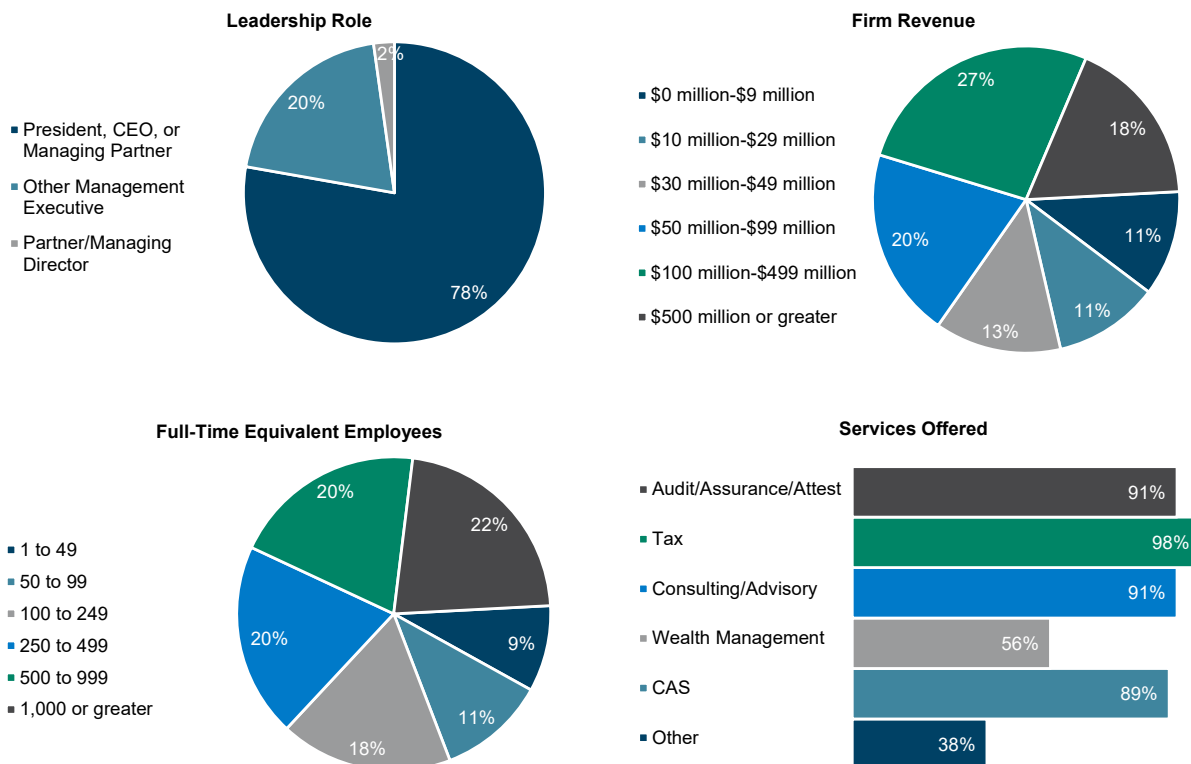
- **Organic Revenue Growth.** We estimate organic revenue growth across the group was 7.3% in 2025. Adjusting for firm size (e.g., giving more weight to larger firms' growth rate) to better reflect the total industry growth rate during the period, we estimate organic revenue growth of 5.1% in 2025, a modest deceleration from 6.7% in 2024. Looking ahead to 2026, survey respondents expect organic revenue growth of 8.3%, or 7.3% adjusted for firm size. Consulting, client accounting services (CAS), and tax are expected to be the primary drivers of growth acceleration over the next 12 months.
- **Price Realization.** We estimate realized price increases of 4.6% across the group in 2025, though the largest firms' price realization was notably softer (+2.9%). In the aggregate, respondents expect similar increases in 2026 (+4.4%) and over the next 3-5 years (+4.5%). Smaller firms and firms that have taken on external capital (e.g., private equity) have relatively greater conviction in their ability to realize price increases going forward.
- **Talent Environment & Compensation.** Talent attraction and retention were relatively stable in 2025 after pressures eased significantly in 2024 compared to the tight labor market experienced over the preceding two- to three-year period. Executives still expect compensation increases to remain at strong levels over the next several years, but we believe increased usage of technology will help offset these margin pressures.
- **Artificial Intelligence & Automation.** Accounting services firms are actively assessing the impact of AI on their businesses; nearly two-thirds of respondents have seen targeted deployment of tools at their firm. On average, respondents view AI as more of an opportunity than a threat, with the potential to improve productivity, narrow staffing pyramids, and expand margins over time. Predictably, larger firms and firms with external capital appear further along with AI-related efforts than their peers.
- **Non-U.S. Labor.** We continue to believe there is a long runway for increased usage of non-U.S. labor going forward, and survey respondents seem to agree; around 70% of respondents expect to either modestly increase (49%) or significantly increase (20%) their use of non-U.S. labor over the next three to five years.
- **M&A.** M&A remains a key growth strategy for the majority of firms in our population, though the increased prevalence of private equity and higher multiples appear to have priced some firms out of participating.

Respondent Profile and Methodology

Consistent with our inaugural survey in January 2025 ([Accounting Services: William Blair’s Inaugural Executive Survey](#)), our second annual accounting services survey anonymously polled industry executives across a wide array of firm sizes and capabilities. Especially important to the value and signals of the survey, in our view, is its focus on top decision-makers across the accounting services landscape; on this point, 78% of the 45 survey respondents are the top executive at their respective firm (e.g., president, CEO, or managing partner), with an additional 20% of respondents in some other executive management role. We believe top decision-makers and other high-level executives are best positioned to provide a holistic view of their firms across all service lines and key strategic considerations.

As shown in the exhibit below, our respondents ranged from firms with under \$10 million in revenue all the way up to some of the U.S.’s largest CPA firms with over \$500 million in revenue. While these firms are sure to have vastly varied capabilities and internal investment ability, most offer the same core services to their clients, namely audit, tax, advisory, and client accounting services (CAS). Some firms also offer tangential services, such as wealth management, cybersecurity advisory, litigation support, and certain HR capabilities (e.g., payroll), but these offerings are less standardized across the industry. Of the 45 respondents, it is worth noting that eight (18%) indicated that they have received financial backing from external capital (e.g., private equity), a rapidly evolving trend that we have written extensively about in previous reports, including our February 2022 report, [Accounting Services: Accelerating M&A Activity, Private Equity Interest](#), and our December 2023 report, [Accounting Services: Assessing the M&A Runway](#).

**Exhibit 1
Respondent Profile**



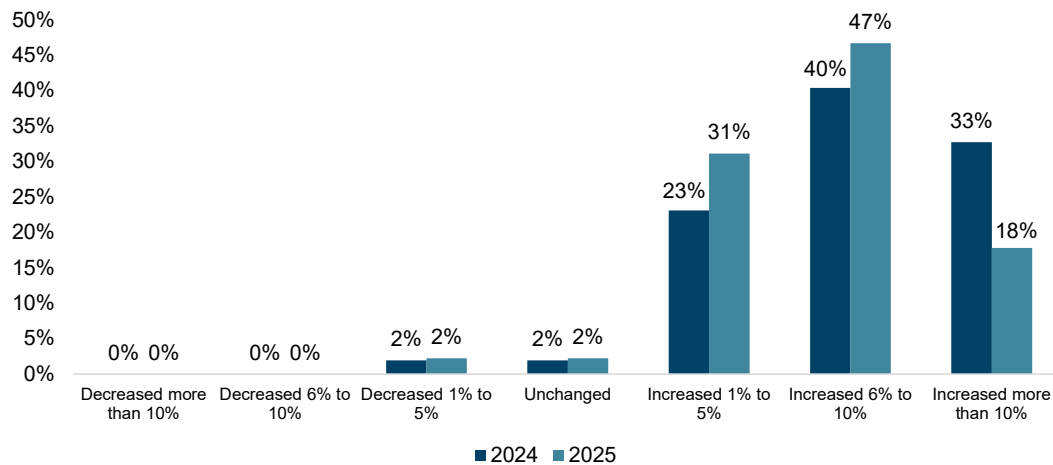
Notes: 8 of 45 respondents reported backing from external capital (e.g., private equity). "CAS" stands for Client Accounting Services.
Source: William Blair’s Accounting Services Executive Survey

In the following pages, we summarize executives' views on a variety of near- and medium-term trends, including organic revenue growth, pricing, the talent environment (including compensation), technology (including AI adoption), the use of non-U.S. labor, and M&A, with insights on both a backward-looking and forward-looking basis, where appropriate. With two years of data now informing our analysis, we also introduce benchmarking relative to last year's survey, with a review of how 2025 results came in compared to executives' expectations from 12 months ago.

Organic Revenue Growth

Survey respondents experienced another year of strong organic revenue growth in 2025, albeit modestly below 2024 levels. Over 65% of respondents saw organic growth at their firm of at least 6%, while another 31% experienced low- to midsingle-digit growth (compared to 73% and 23%, respectively, in 2024). The percentage of firms where organic growth exceeded 10% declined from 33% to 18%. There was just one respondent that saw flat organic revenue growth during the year and one respondent that saw organic declines over the last 12 months.

Exhibit 2
Organic Revenue Growth (LTM)

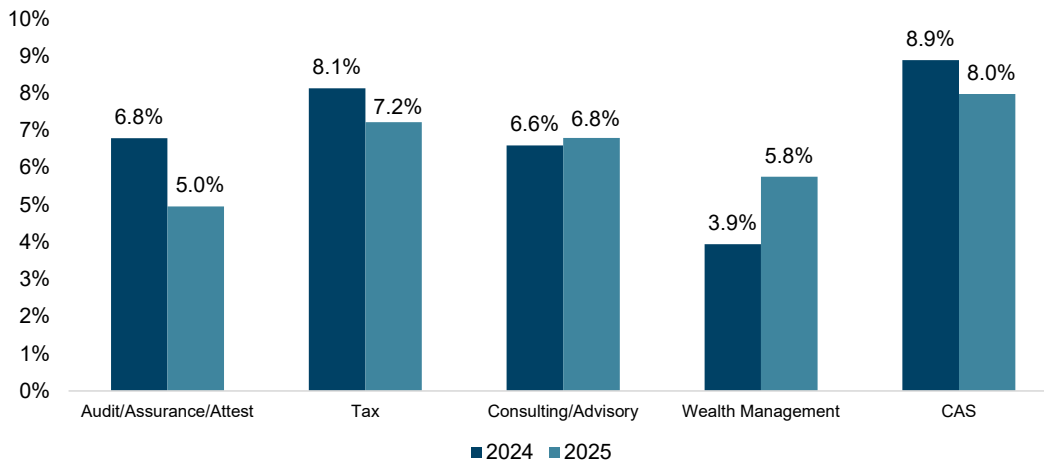


Source: William Blair's Accounting Services Executive Survey

To get a rough estimate of respondents' growth experience, we assigned an estimated growth rate based on the range selected by each respondent. Responses of "increased more than 10%" or "decreased more than 10%" were assumed to be equal to a growth expectation of 15% and a loss expectation of 15%, respectively; responses of "increased 6%-10%" or "decreased 6%-10%" were assigned growth estimates of 8% and loss estimates of 8%, respectively; responses of "increased 1%-5%" or "decreased 1%-5%" were assigned growth estimates of 3% and loss estimates of 3%, respectively; for "unchanged" responses, we assumed zero growth. While the weighting methodology is rough and inexact, we believe it provides a simplified snapshot of the growth experience across firms. On this basis, we estimate organic growth across the group was 7.3% in 2025, below last year's 8.8% reading but remaining strong on an absolute basis. Adjusting for firm size (e.g., giving more weight to larger firms' growth rate) to better reflect the total industry growth rate during the period, we estimate organic revenue growth of 5.1% in 2025, compared to 6.7% in 2024.

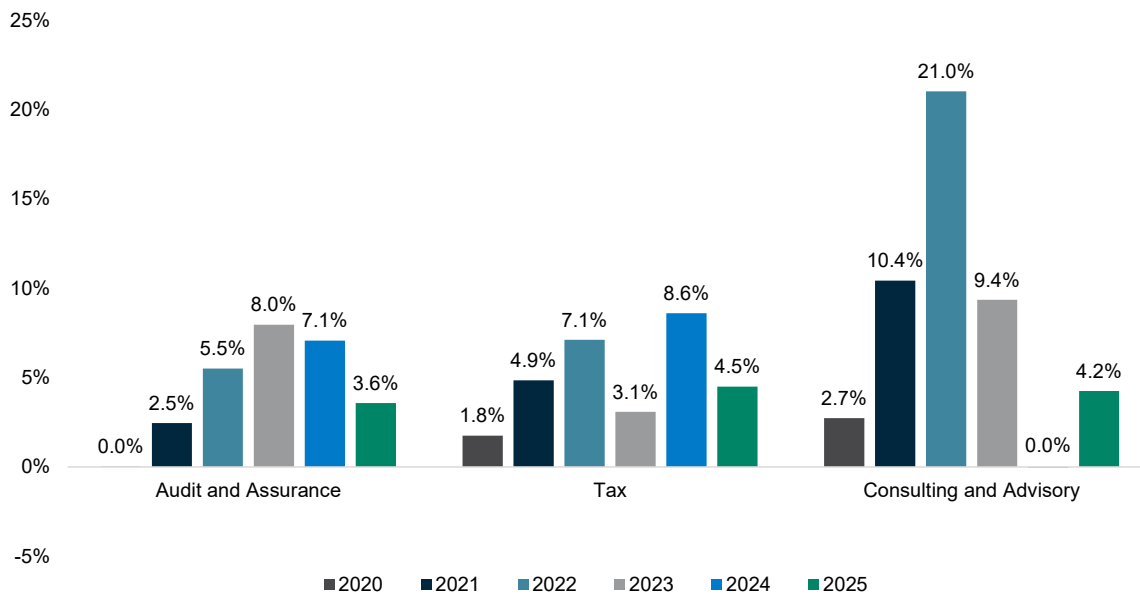
At the practice level, we applied the same weighting methodology to determine which practices performed best in 2025, as shown in the exhibit below. CAS and tax services were the strongest growing service lines for the second straight year, advisory was largely consistent with last year, and wealth management service lines saw growth accelerate year-over-year; growth in audit was lower than 2024. These results broadly outperformed Big 4 firms' reported results for fiscal 2025, which showed 4%-5% growth across core accounting services and consulting and advisory businesses. Most notably, our survey's respondents indicate significantly better performance in tax and advisory lines than Big 4 firms in the trailing fiscal year.

Exhibit 3
Practice-Level Weighted Average Organic Revenue Growth (LTM)



Source: William Blair's Accounting Services Executive Survey

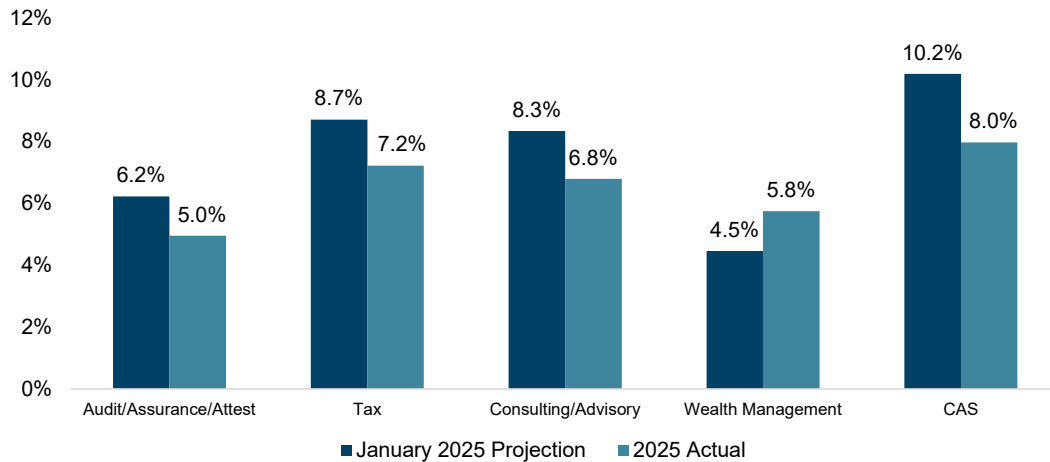
Exhibit 4
Average Big 4 Revenue Growth by Service Line



Fiscal year ends: PwC (June 30), Deloitte (May 31), EY (June 30), KPMG (September 30)
 Note: Average calculated as a weighted average across the Big 4 firms.
 Sources: Company reports, William Blair Equity Research

Compared to executives' growth expectations set for 2025 during our inaugural survey last year, 2025 organic growth results broadly underperformed, with the exception of wealth management as shown in the exhibit below. In aggregate, executives expected organic growth of 9.2% in 2025, while 7.3% growth materialized; on a firm-size weighted average basis, executives expected 8.4% organic growth, while 5.1% growth materialized.

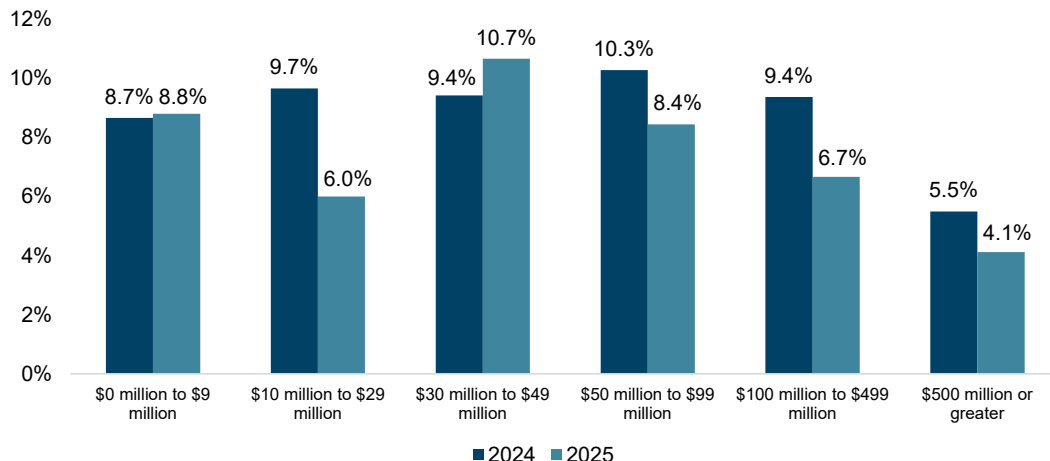
Exhibit 5
Projected vs. Actual Organic Revenue Growth (2025)



Sources: William Blair's Accounting Services Executive Survey, William Blair Equity Research

By firm size, respondents at smaller firms saw faster growth than those at firms with over \$500 million in revenue. While we acknowledge that the law of large numbers alone often means it is easier for smaller firms to show stronger growth rates, we were still impressed by another year of high-single-digit growth, on average, for firms under the \$500 million threshold. In contrast to last year's results, respondents who indicated their firm had received an investment from external capital (e.g., private equity) reported weighted average growth of 6.9%, compared to 7.4% for those who had not received an external capital investment; in 2024, firms with external capital backing outperformed the others by over 100 basis points organically.

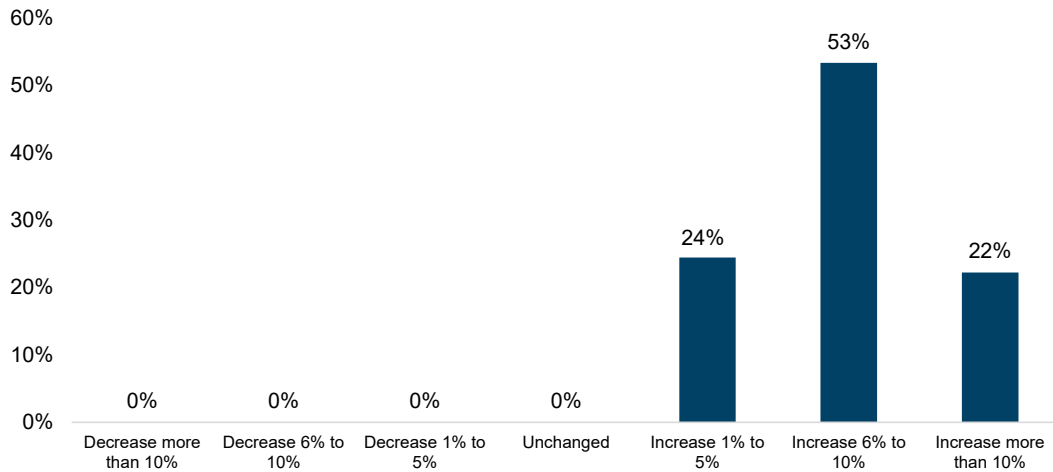
Exhibit 6
Weighted Average Organic Revenue Growth by Firm Revenue (LTM)



Source: William Blair's Accounting Services Executive Survey

Looking ahead to 2026 and using the same organic revenue growth weighting methodology described above, respondents expect an acceleration in growth to 8.3%. Respondents unanimously expect growth in the coming year, including 76% that anticipate 6% or better growth over the next 12 months. We also note that firms with external financial sponsors expect meaningfully higher organic growth in 2026, at a rate of 10.0% compared to 8.0% for non-sponsored firms.

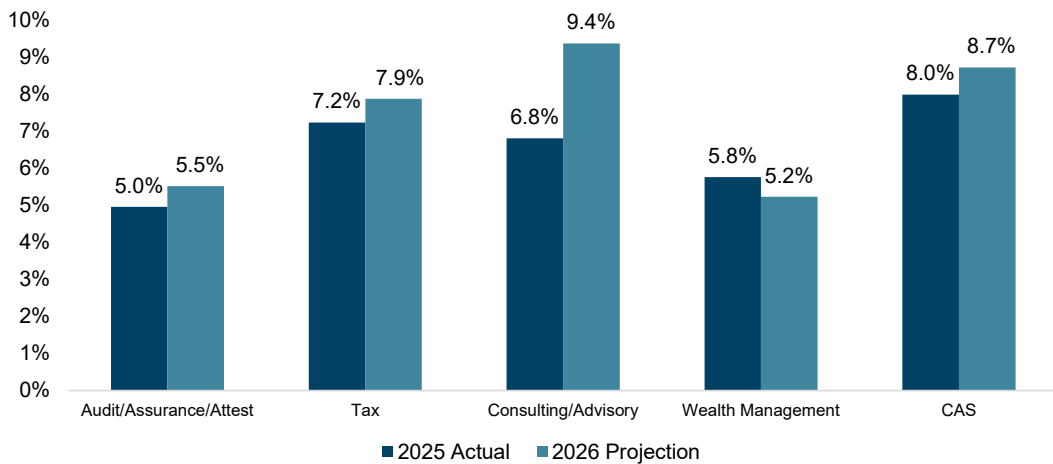
Exhibit 7
Organic Revenue Growth Expectations (NTM)



Source: William Blair's Accounting Services Executive Survey

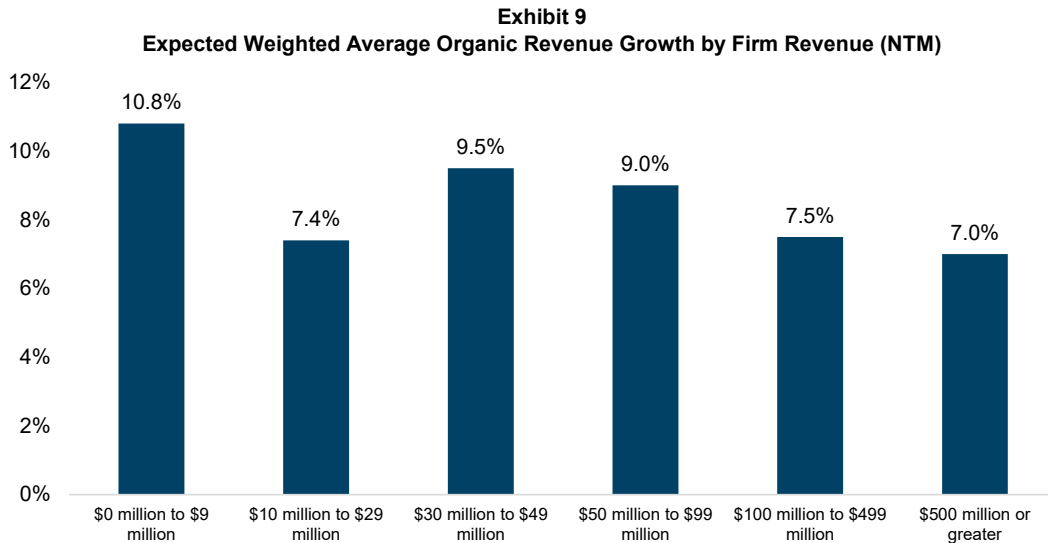
At the practice level, advisory is expected to be the strongest growing practice in 2026, followed by CAS, tax, and audit; wealth management services are expected to moderate somewhat relative to 2025. These growth expectations for audit, tax, and consulting services are solidly above what we have observed at the Big 4 over the past decade and reflect an acceleration in core practice lines in 2026 on top of broadly strong performance in 2025.

Exhibit 8
2025 Organic Revenue Growth vs. Projected 2026 Organic Revenue Growth



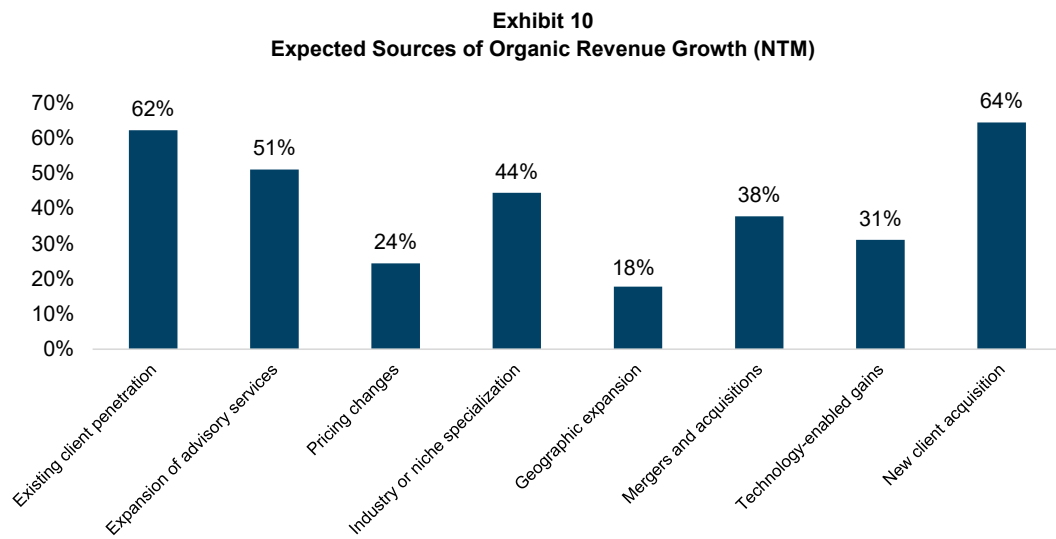
Source: William Blair's Accounting Services Executive Survey

Looking at 2026 growth expectations by firm size, we see tapering growth expectations as firms get larger, as shown below. Consequently, if we adjust expectations for firm size (i.e., giving more weight to larger firms' growth rate), we estimate organic revenue growth expectations of 7.3% for 2026 (versus the 8.3% average described above); we believe this is a better representation of the expected growth rate for the overall industry in 2026.



Source: William Blair's Accounting Services Executive Survey

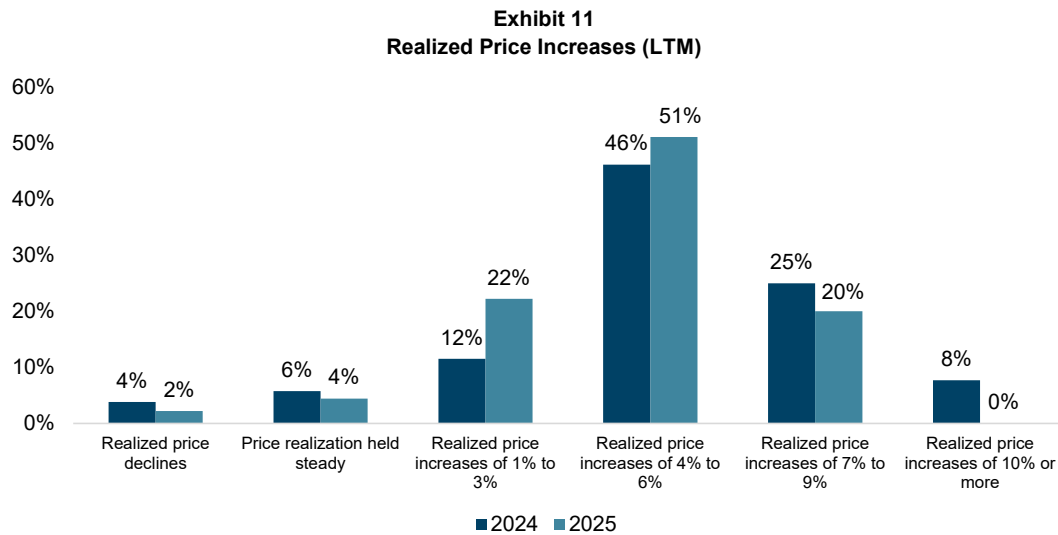
We also asked respondents what they expected to be the primary sources of organic revenue growth in the coming year, selecting their top three sources from a provided list. Over half of respondents listed new client acquisition, existing client penetration, and expansion of advisory services as the primary drivers of growth. Pricing and geographic expansion proved to be areas of lower conviction among respondents; we address pricing expectations in greater detail in the following section.



Source: William Blair's Accounting Services Executive Survey

Price Realization

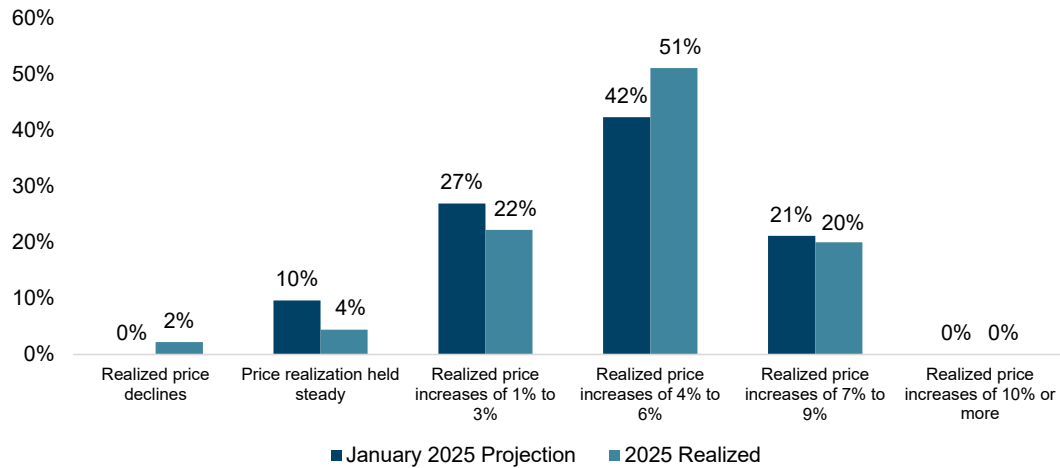
Based on our survey, pricing made a solid midsingle-digit contribution to organic growth in 2025, albeit at a lower level of realization than in 2024; we believe this continues a strong pricing trend from the preceding three- to four-year period, which was aided, at least in part, by inflationary pressures.



Source: William Blair's Accounting Services Executive Survey

We used a similar weighting methodology to get a rough estimate of firms' pricing experience over the last 12 months. In this category, responses of "realized increases of more than 10%" were assumed to be equal to a growth expectation of 12%; responses of "realized increases of 7%-9%" were assigned a growth estimate of 8%; responses of "realized increases of 4%-6%" were assigned a growth estimate of 5%; responses of "realized increases of 1%-3%" were assigned a growth estimate of 2%; "realization held steady" responses were assumed to predict zero change; and "realized price declines" responses were assigned a decline in pricing of 2%. On this basis, respondents indicated weighted average price increases of 4.6% in 2025, with about 71% of all respondents indicating price increases of 4% or higher. These price increases were essentially in line with expectations from our previous survey, which called for a 4.3% realized increase, on average.

Exhibit 12
Projected vs. Actual Price Realization (2025)

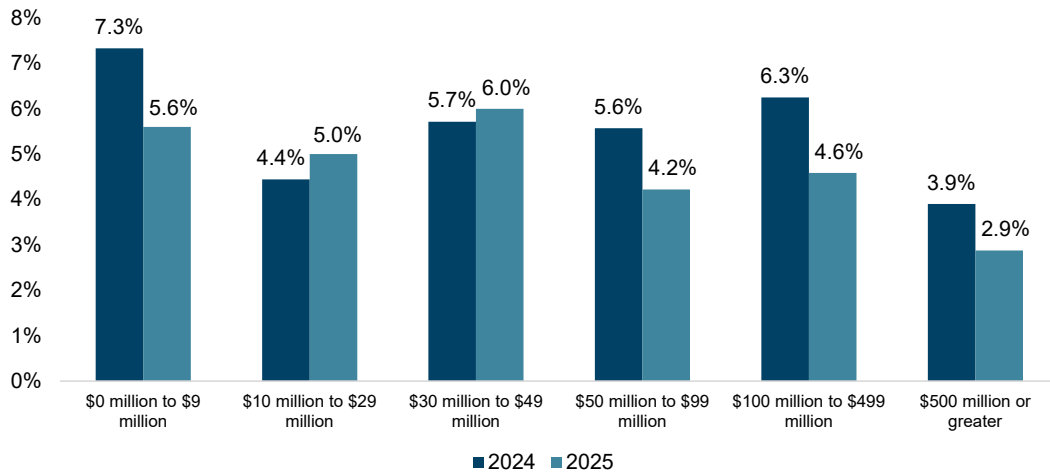


Source: William Blair's Accounting Services Executive Survey

While not a perfect comparison, around 91% of respondents in our specialty consulting survey ([Specialty Consulting Survey and Preview: Fourth Quarter 2025](#)) saw an increase in bill rates across 2025, compared to about 93% in our accounting survey; last year, only roughly 65% of respondents in our specialty consulting survey saw increases in bill rates, while the accounting services responses came in above 90%. We believe the consistency in accounting industry pricing further highlights the mission-critical nature of accounting services and the entrenched customer relationships inherent to the industry, even relative to other professional services businesses.

Among firms of different sizes, price realization was mixed, with larger firms generally realizing a smaller percentage of increases than smaller firms, consistent with last year's reading. While we believe large firms likely have advantages when it comes to the sophistication of their pricing efforts, we suspect that is at least somewhat offset by 1) the likelihood that per-client spend is larger (in absolute dollars) at larger firms and 2) larger clients likely have more bargaining power than small clients. Improved pricing discipline is one area in which we would typically expect private-equity-backed firms to have an advantage, which was true in last year's survey; this year, our survey showed the opposite, with weighted average price realization of 4.0% at these firms, relative to 4.7% realization at non-sponsored firms.

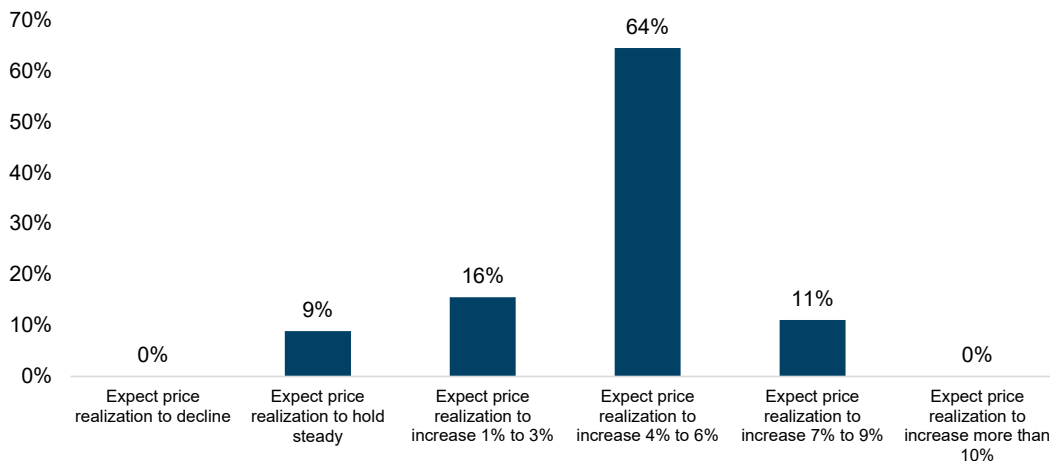
Exhibit 13
Weighted Average Price Realization by Firm Revenue (LTM)



Source: William Blair's Accounting Services Executive Survey

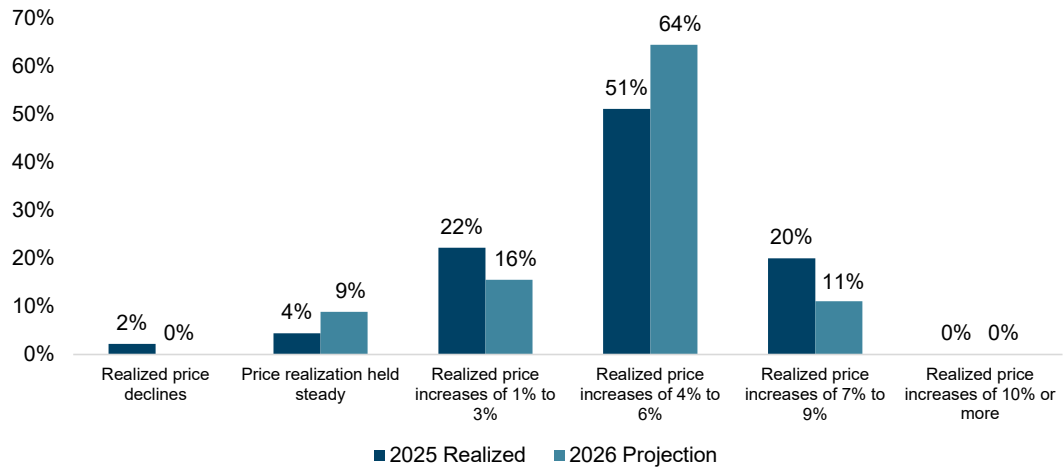
Using the same weighting methodology described above, respondents indicated that they expect, on average, a 4.4% increase in price realization in 2026, followed by an annual average of 4.5% over the next three- to five-year period. We believe these estimates continue to reflect normalization in the pricing environment following incredibly strong realization in the few years prior to 2024 and are largely consistent with the levels realized in 2025. We also note that, in contrast to the last-12-month price realization described above, private-equity-backed firms expect price increases of 5.0% in 2026 and 4.6% over the next three to five years compared to 4.3% and 4.4%, respectively, at non-sponsored firms.

Exhibit 14
Expected Price Realization (NTM)



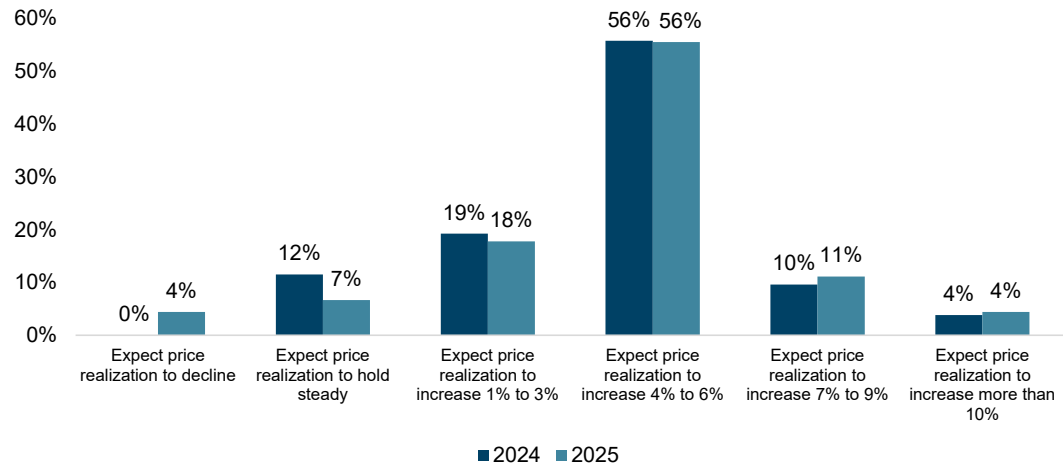
Source: William Blair's Accounting Services Executive Survey

Exhibit 15
2025 Realized Pricing vs. 2026 Projected Price Increases



Source: William Blair's Accounting Services Executive Survey

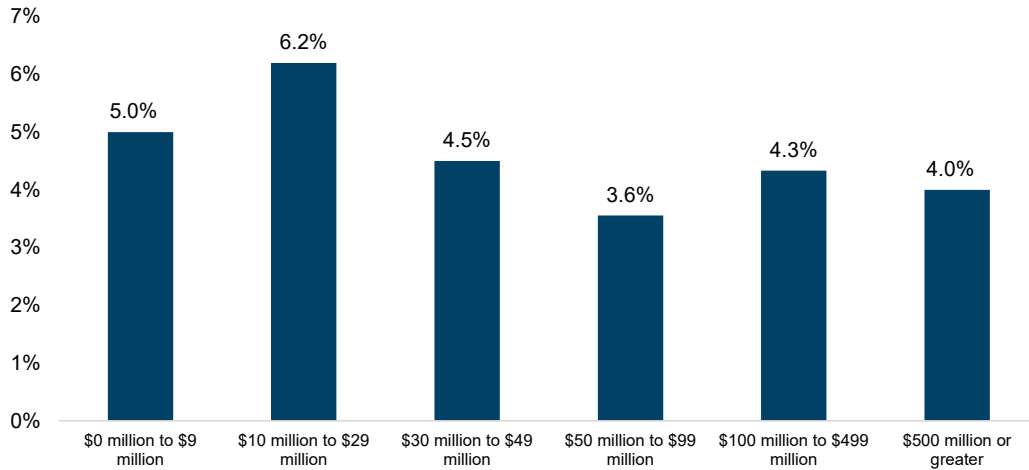
Exhibit 16
Expected Annual Price Increases (Next 3-5 Years)



Source: William Blair's Accounting Services Executive Survey

We also looked at expected price increases by firm size. On this basis, pricing expectations appear strongest among the smaller tiers of firms, while expectations are modestly lower for the higher end of the size spectrum.

Exhibit 17
Expected Weighted Average Price Realization by Firm Revenue (NTM)

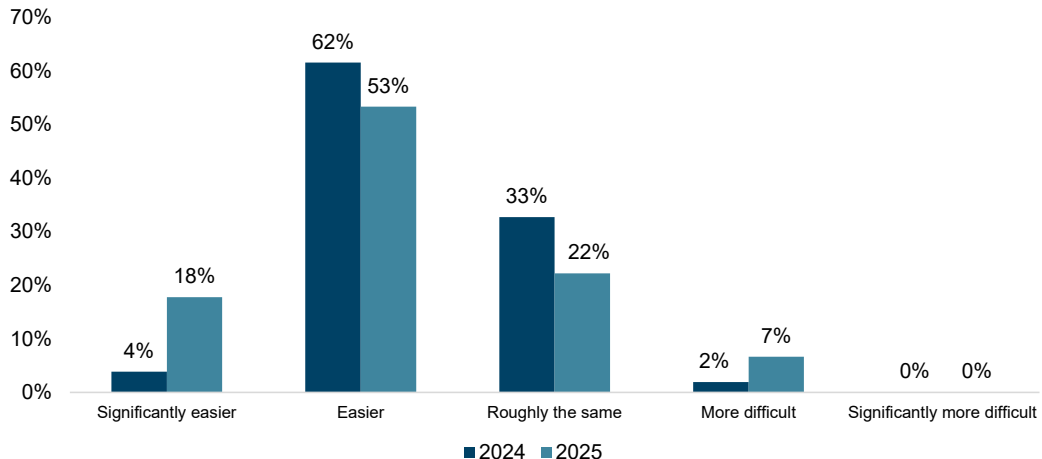


Source: William Blair's Accounting Services Executive Survey

Talent Environment and Compensation

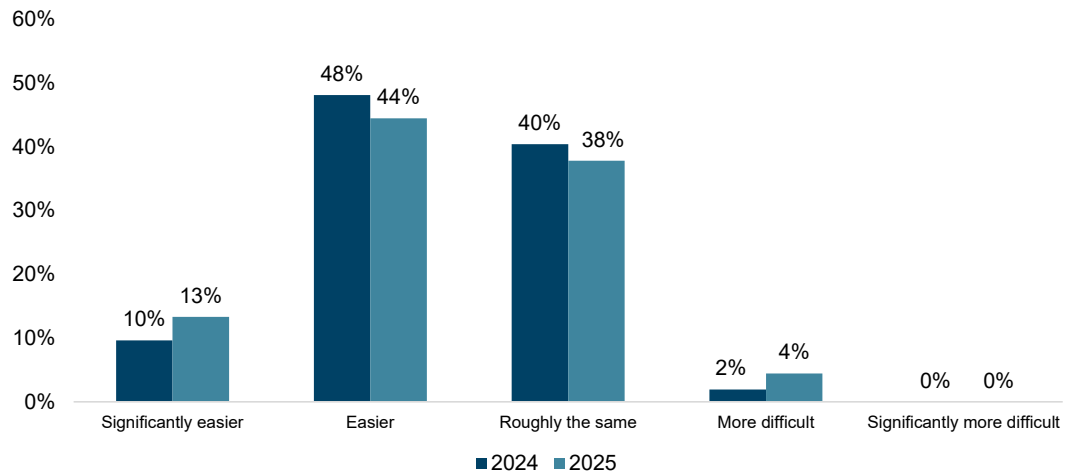
The talent environment for accounting firms has been a hot topic of discussion over the past few years, with volatile attrition trends and widespread coverage of the shortage of CPA talent. We believe that these labor market pressures peaked in 2022 and 2023 and have since eased. Our survey respondents confirmed that talent attraction and retention pressures have lessened over the course of 2024 and 2025, with over 70% of respondents in this year's survey indicating that it was easier to attract talent and nearly all of respondents indicating that it was easier to retain their current talent versus 12 months ago.

Exhibit 18
Talent Attraction (LTM)



Source: William Blair's Accounting Services Executive Survey

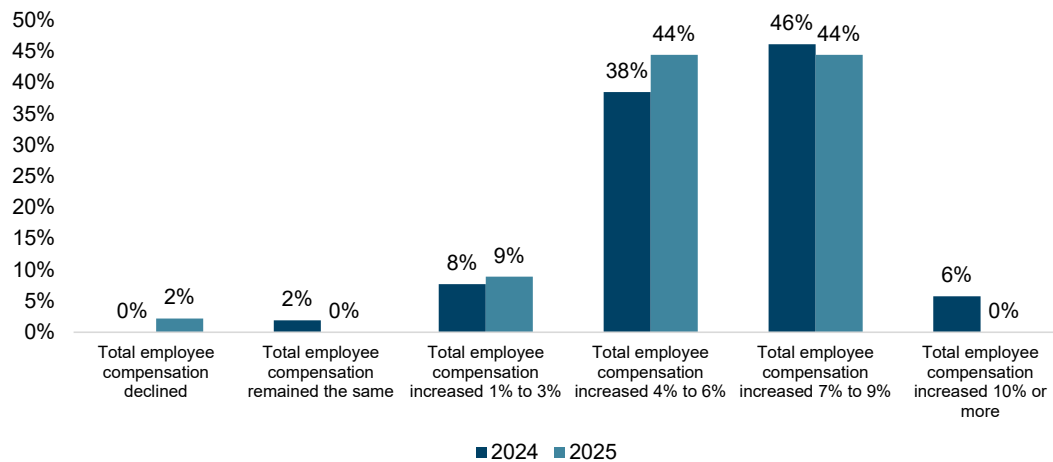
Exhibit 19
Talent Retention (LTM)



Source: William Blair's Accounting Services Executive Survey

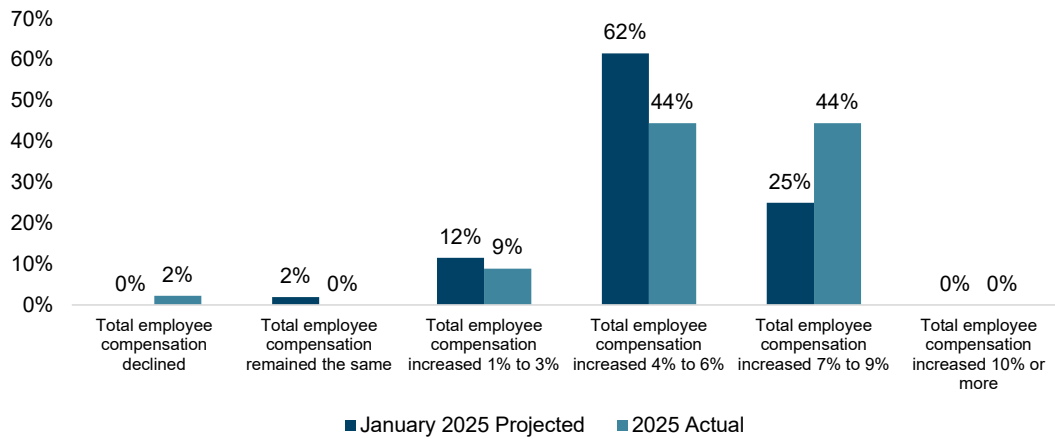
Survey respondents indicated that compensation for firm employees continues to grow solidly. Using the same weighting methodology described for pricing, compensation grew at a weighted average of 5.9%, on top of growth of 6.5% in 2024. The rate of compensation increases modestly exceeded executives' expectations coming into the year (5.3%).

Exhibit 20
Compensation Trends (LTM)



Source: William Blair's Accounting Services Executive Survey

Exhibit 21
Projected vs. Actual Compensation (2025)

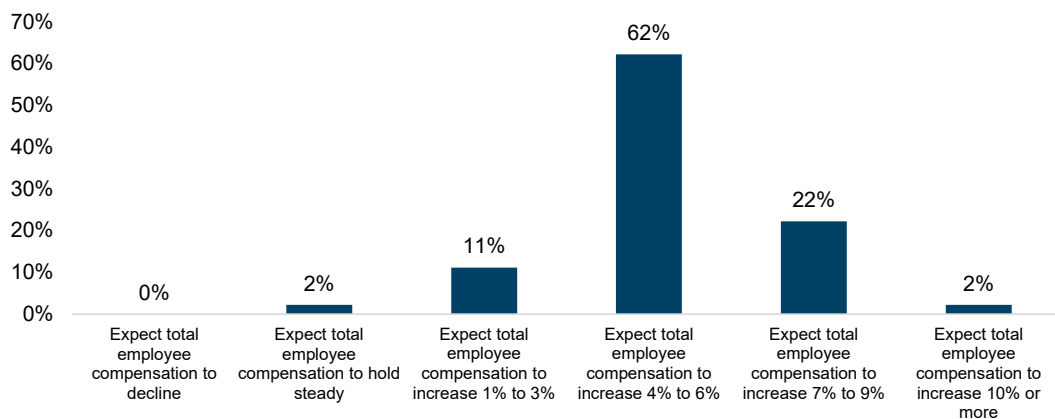


Source: William Blair's Accounting Services Executive Survey

We are not particularly surprised by continued compensation growth for accountants given the shortage of CPA talent, as the industry struggles to compete with alternative career paths for professionals with accounting backgrounds. Talent attraction, retention, and compensation trends appear relatively consistent when analyzing the data across various firm sizes. When comparing trends between firms that have or have not taken on external capital, it appears compensation rose by more at firms without a financial sponsor (+6.2%) than at firms with financial sponsors (+4.6%).

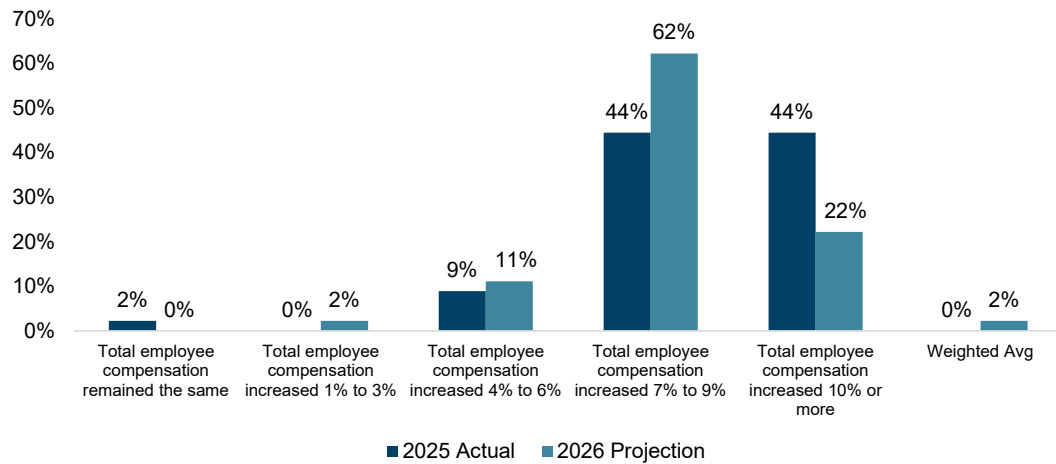
Compensation increases are expected to be relatively consistent over the next year; respondents expect compensation to grow at a weighted average rate of 5.4% in 2026 and 4.9% over a three- to five-year period, both modestly lower than the realized increases in 2025. Over both periods, over 62% of respondents indicated that compensation is expected to grow in the midsingle digits, reflective of a more normalized environment than prior to 2024. Like pricing, we view this as a step down from outsized growth in compensation, as labor market pressures have cooled over the past two years. Consistent with the last-12-month results, firms without a financial sponsor expect modestly higher compensation increases over the next 12 months and three- to five-year periods than those with a sponsor.

Exhibit 22
Compensation Expectations (NTM)



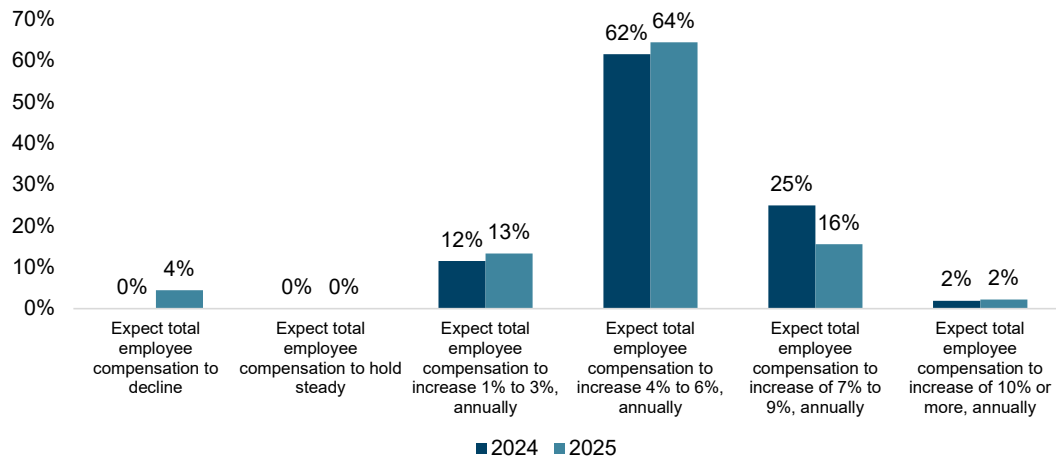
Source: William Blair's Accounting Services Executive Survey

Exhibit 23
2025 Compensation vs. 2026 Projected Increase



Source: William Blair's Accounting Services Executive Survey

Exhibit 24
Compensation Expectations (Next 3-5 Years)

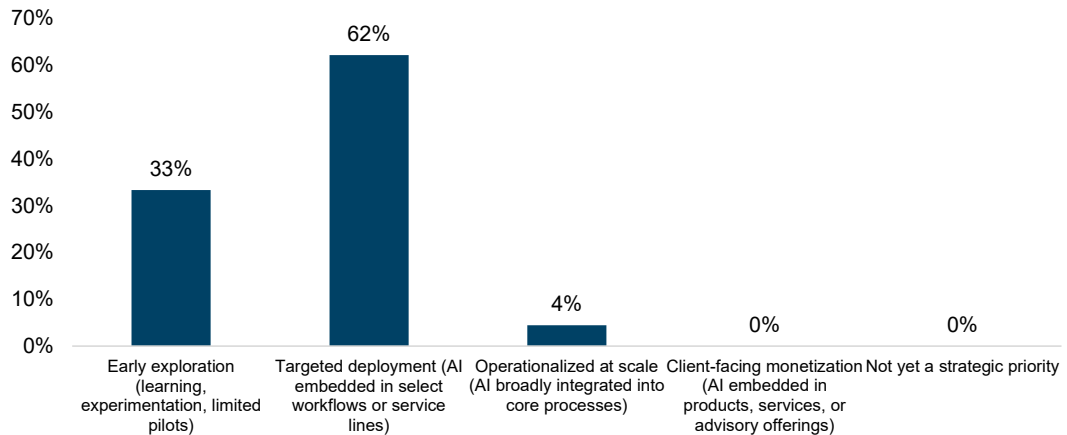


Source: William Blair's Accounting Services Executive Survey

AI and Automation

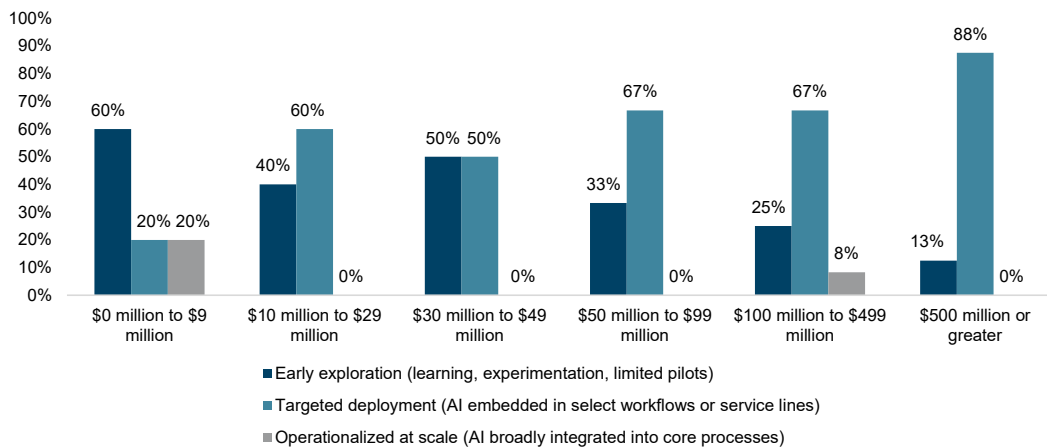
In this year's survey, we took a different approach in our questions related to emerging technology, specifically AI and automation. We first asked respondents to rate their own firm's current progress in embedding AI into their workflows. As shown in the exhibit below, almost two-thirds of respondents indicated that they are actively deploying AI on a targeted basis, while around one-third of firms remain in the experimental stage. Zero respondents selected either extreme of the spectrum, indicating either complete rejection of AI or full monetization of customer-facing products. We believe these results reflect progress relative to investment plans respondents signaled in last year's survey (65% of respondents expected a significant increase in technology investment over three to five years). At a more granular level, we were not surprised to see that larger firms and private-equity-sponsored firms appear relatively further along in their adoption and integration of AI into firm systems.

Exhibit 25
AI and Automation Progress



Source: William Blair's Accounting Services Executive Survey

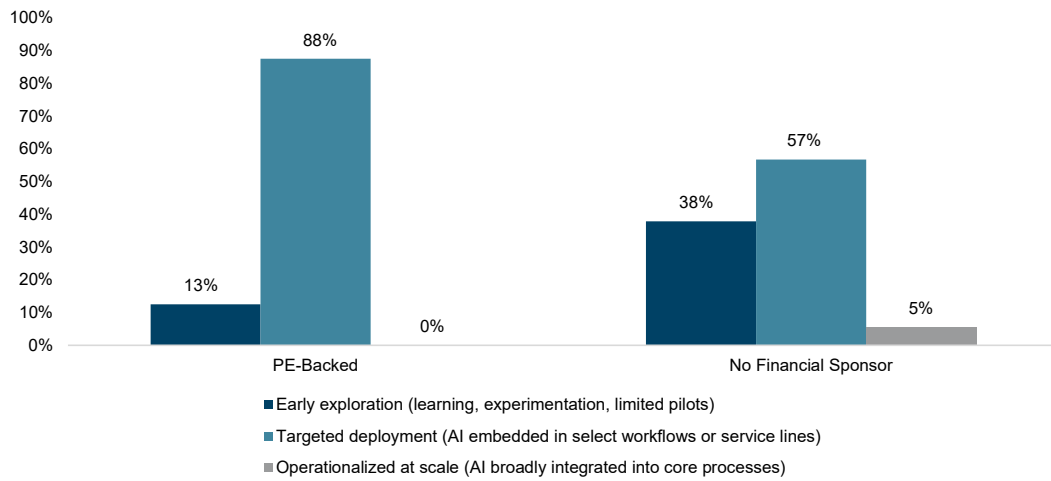
Exhibit 26
AI Adoption by Firm Revenue



Note: "Client facing monetization" and "Not yet a strategic priority" were also survey options, but chosen by zero participants.

Source: William Blair's Accounting Services Executive Survey

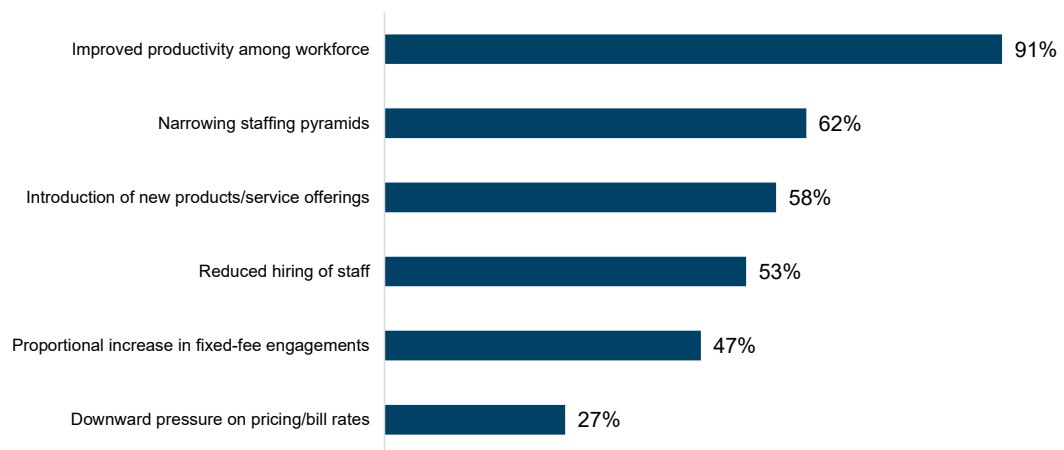
Exhibit 27
AI Adoption by Financial Backing



Note: "Client facing monetization" and "Not yet a strategic priority" were also survey options, but chosen by zero participants.
Source: William Blair's Accounting Services Executive Survey

We also asked clients to specify what they see as specific areas of impact from increasing adoption of AI and automation, as well as the margin impact of these changes. In terms of areas of impact, most respondents expect improved productivity within their workforce, though relatively fewer of those same respondents expect this to result in narrower staffing pyramids (i.e., proportionally fewer entry-level employees) or lower levels of overall staff hiring. Equally relevant, in our view, to the current debate on AI's impact on the accounting industry, less than a third of respondents (27%) expect downward pressure on bill rates as a result of more work being automated. We view this as a positive signal for the near-term pricing power of the industry.

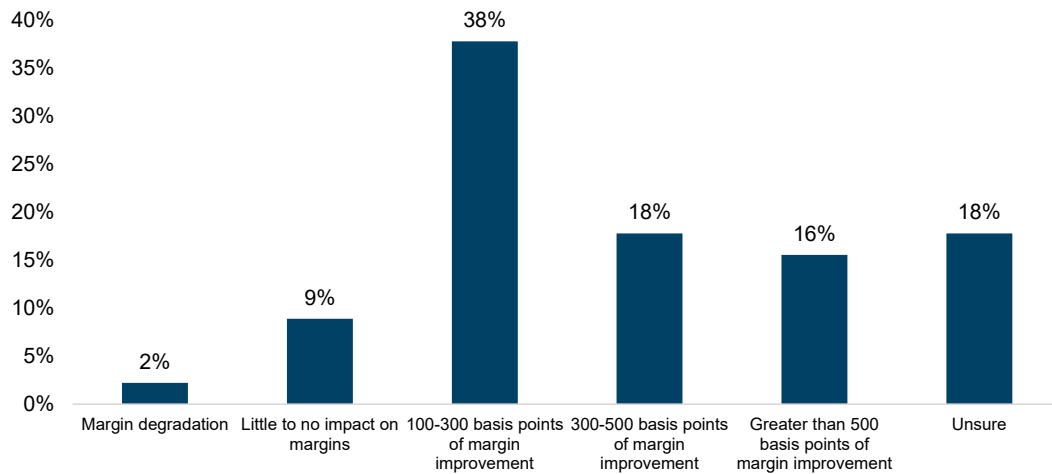
Exhibit 28
Expected Areas of Impact from AI and Automation Adoption



Source: William Blair's Accounting Services Executive Survey

On the margin front, responses varied, though the highest concentration of responses indicate that AI and automation are expected to be modestly accretive to margin. Only one respondent expects future margin degradation, though 18% of respondents remain unsure of the potential impact.

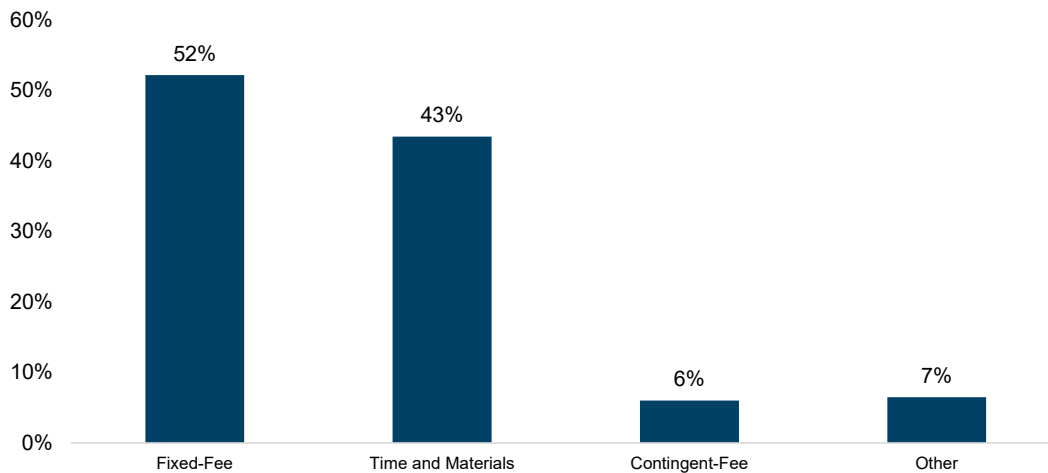
Exhibit 29
Expected Impact of AI and Automation on Margins



Source: William Blair's Accounting Services Executive Survey

We also asked respondents about the fee structures of their firms, as we believe fixed-fee engagements are less exposed to potential downward pricing pressure relative to time and materials engagements. On average, respondents indicated that just over half of their engagements are charged on a fixed-fee basis, compared to an average of 43% relying on time and materials billing.

Exhibit 30
Average Current Fee Structure



Note: Percentages do not sum to 100% as respondents were prompted to assign weights to multiple options.

Source: William Blair's Accounting Services Executive Survey

Given the degree of uncertainty when it comes to assessing AI's potential to unseat legacy systems and processes, we also posed an open-ended question to assess whether accounting firm leaders view AI as more of a threat or an opportunity for their firms. In response, nearly all respondents indicated that they view AI as an opportunity; 58% of responses focused solely on AI as an opportunity, citing use-cases in automation of routine and/or commoditized tasks, enhancing efficiency, and spending more time on higher-value work; an additional 35% of respondents see AI as both

an opportunity and a threat; and only 7% classified it as a threat or were unsure, primarily citing lower billable hours, pricing pressure, and less value placed on commoditized compliance-based service lines.

Exhibit 31

Survey Question: How do you expect the continued evolution of technology and artificial intelligence to impact your business? Do you see AI as a threat to the accounting services profession or an opportunity (or both)?

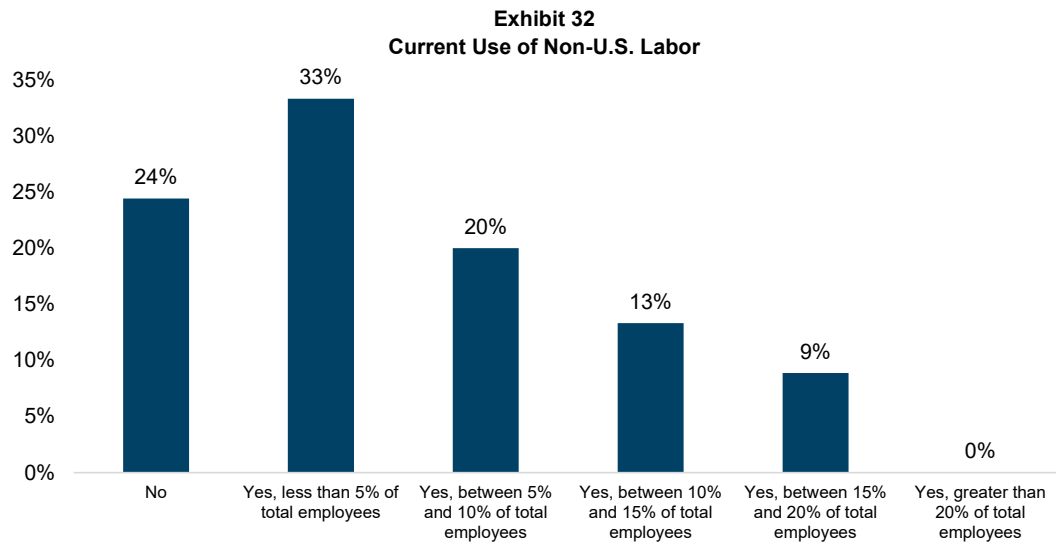
Sample of Survey Responses

Compliance will be threatened over time. Advisory will still be needed. We will have to learn to operate differently and focus more on providing value.
I see AI as an enabler, not replacing our people, but requiring less of them and more at the middle level using the technology to work with clients sooner in their career journey.
AI is set to transform our business through automating routine tasks and enhancing efficiency, creating major opportunities to deliver higher value advisory insights rather than purely compliance work. At the same time, AI introduces new risks, particularly deepfake enabled fraud and cyber threats, which have surged dramatically and pose serious audit and operational vulnerabilities. We need to ensure we have strong governance and controls in place.
At an industrywide level, AI is more of an opportunity at this point than a threat as it should enable professionals to leverage technology in new and better ways and increase productivity. However, for firms that cannot scale or determine how to cost effectively implement and realize meaningful productivity gains, this is a significant risk to their business models.
Improved client experience, increased efficiency and scope of services, improved employee experience. Over time, certain client services will be impacted as reduced revenue opportunities.
It is a threat to those people who do not upskill and learn how to use it. It is an opportunity for those who embrace it.
Improve staff and shareholder productivity, improve client service delivery and business advisory services. Do not see it as a threat. It is an opportunity.
AI is a threat in that we might realize efficiencies but give 100% of that away in price concessions while also not achieving staffing efficiencies. AI will make us more efficient at the edges, and we must make sure to monetize that somehow.
Technology will enable us to improve client satisfaction and the employee experience. It will open up new avenues of revenue. It will drive efficiency in client-facing production of deliverables and also increase our operating efficiency.
It is both an opportunity and a threat. The threat is that it will completely eliminate the market value for some of our current services (basic accounting, basic tax prep, etc.), but the opportunity is that it will allow for almost full automation of those processes as well. Should be a period of time where margins could be higher than ever in the history of the profession, but long-term success will be driven by broadening the wallet share with each and every client; being a truly holistic service provider and advisor.
Firm should gain margin efficiency, partners and staff will need to be more focused on delivering client value. Pricing methodologies will need to change. There is certainly a threat and an opportunity.
Fewer billable hours. It is definitely a threat (AI can eliminate/reduce work that was normally done by lower-level staff).
I think it is both a threat and an opportunity, I think the threat is the impact on pricing and also, firms that ignore AI completely could get left behind. The opportunity is the possibility to drive more revenue with the same level of personnel and perhaps innovate more in our client service delivery and optimization of certain aspects of firm operations and work efficiency.
From the perspective of a firm focused on U.S. expatriate and foreign national taxation, AI is primarily an opportunity. It improves efficiency in complex, data-heavy compliance work while allowing professionals to focus on high-value judgment, treaty interpretation, and advisory services. Because cross-border tax requires nuanced analysis and risk management, AI enhances (rather than replaces) expertise. While firms that rely on commoditized compliance may face pressure, our intent is to use AI as a force multiplier to improve accuracy, scalability, and client experience.
It will have a significant impact on the roles/responsibilities of staff-level employees, as well as our approach to training them. It's also going to be interesting to see how the use of AI impacts pricing in the market—will providers attempt to maintain pricing at current levels (adjusted for COL increases) or will they pass along efficiencies in the form of price decreases to gain market share? If the latter, firms will look very different in the future, and those who don't leverage tech likely won't be around. Overall, think it is both a threat and an opportunity.
Technology and artificial intelligence will continue to automate lower-value, repetitive work while raising expectations around speed, accuracy, and insight. For our business, that means fewer hours spent on data entry and mechanical tasks, and more focus on review, judgment, advisory, and client communication. AI will not replace professional accountability, but it will change how work gets done. Firms that use these tools well will be able to serve clients more efficiently, identify issues earlier, and scale without simply adding headcount. At the same time, verification, controls, and human oversight will become even more important, particularly in regulated and high-risk areas. Overall, we expect technology and AI to shift our value proposition away from "processing" and toward expertise, interpretation, and proactive guidance, while requiring ongoing investment in training, change management, and governance. 100% opportunity.

Source: William Blair's Accounting Services Executive Survey

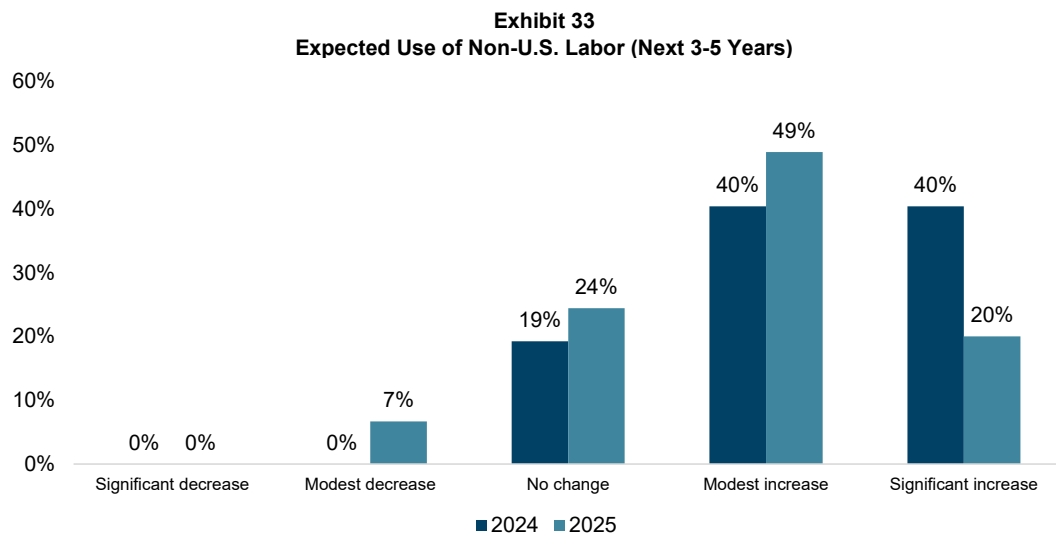
Non-U.S. Labor

We also asked accounting services executives about their firms' reliance on non-U.S. labor. Responses were fairly similar to last year; among our respondents, 24% still do not use non-U.S.-based labor at all, while an additional 33% leverage it for less than 5% of their workforce.



Source: William Blair's Accounting Services Executive Survey

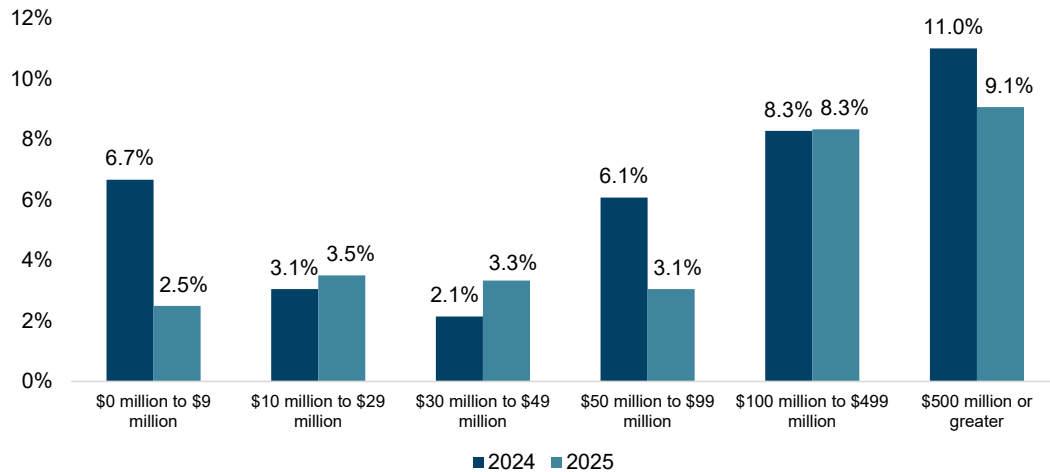
We believe there is a long runway for increased usage of non-U.S. labor going forward, and survey respondents seem to agree; just under 70% of respondents expect to either modestly increase (49%) or significantly increase (20%) their use of non-U.S. labor over the next three to five years.



Source: William Blair's Accounting Services Executive Survey

Among our respondents, firms' use of non-U.S. labor significantly increases as firm size increases, as shown below. Within our respondent base, we predictably saw a notable increase in the use of non-U.S. labor among respondents at firms with over \$100 million in revenue.

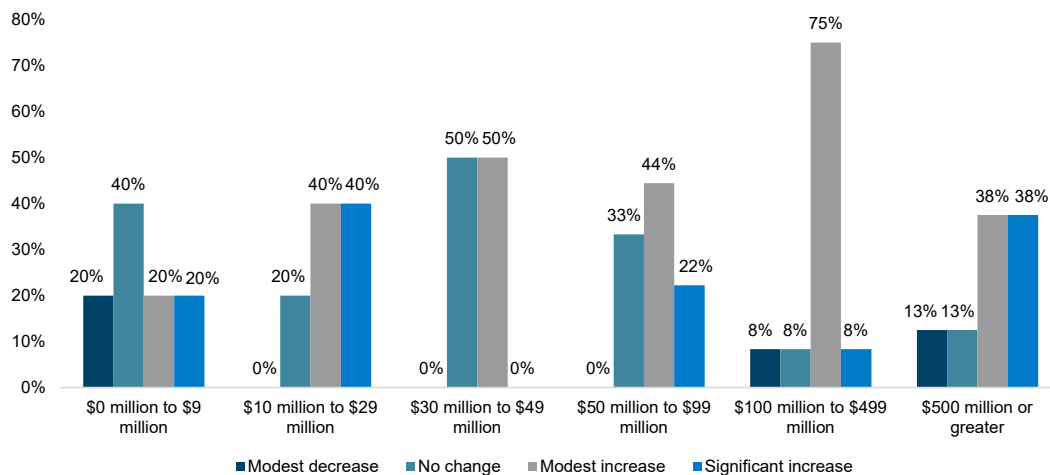
Exhibit 34
Weighted Average Use of Non-U.S. Labor by Firm Revenue



Source: William Blair's Accounting Services Executive Survey

At firms backed by external capital, there seems to be a greater willingness to use offshore labor, with every capital-backed respondent indicating some degree of usage and around 75% with over 10% of their staff located outside the U.S. This compares to last year's results, in which we did not observe a meaningful difference in offshore labor usage between private-equity-backed and other firms. Going forward, firms with external capital also appear more willing to increase usage of non-U.S. labor, with 88% of respondents indicating plans to do so, compared to 65% for firms without external investment.

Exhibit 35
Expected Use of Non-U.S. Labor (Next 3-5 years)

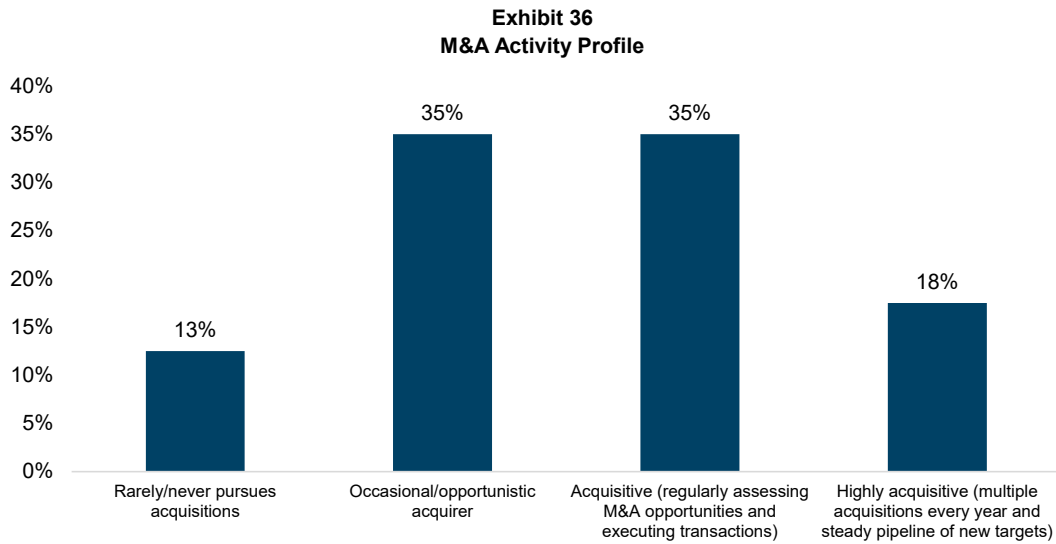


Note: "Significant decrease" was also a survey option, but chosen by zero participants.

Source: William Blair's Accounting Services Executive Survey

M&A

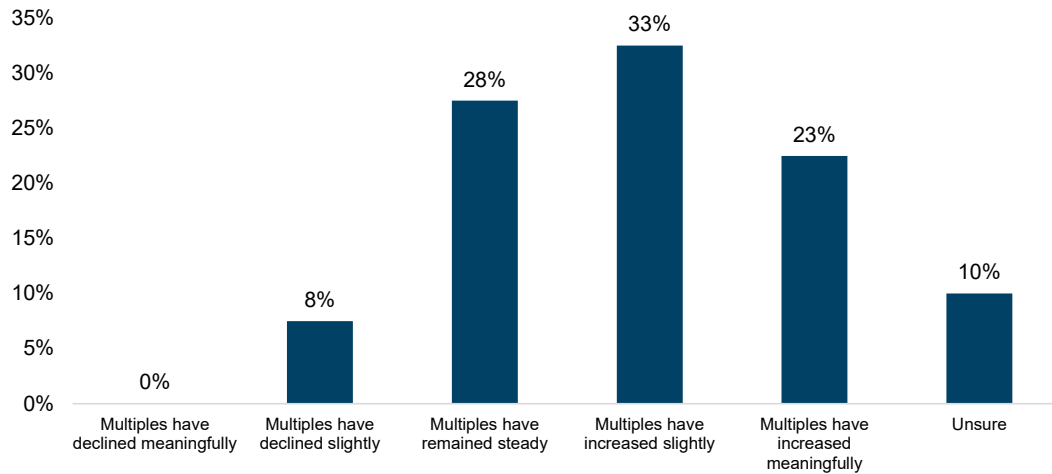
Approximately 90% of the survey respondents indicated that they are involved in M&A decision-making at their respective firm, consistent with last year. Of these respondents that were involved in M&A decisions, less than 15% of the firms classified themselves as non-acquisitive. The remaining respondents all indicated that M&A is a source of growth for their firms, with 35% of respondents falling into the “occasional/opportunistic acquirer” bucket and another 35% falling into the “acquisitive” bucket, while 18% classified their firm as highly acquisitive. Unsurprisingly, larger and financially backed firms tended to classify themselves as more acquisitive than their smaller and less financially capable counterparts.



Source: William Blair's Accounting Services Executive Survey

Given the respondents' intimate familiarity with the accounting M&A landscape, we were curious of their view on how acquisition multiples have trended over the past year. A majority of respondents indicated that multiples have increased either slightly or meaningfully over the last 12 months, though just under a third of respondents believe multiples have remained steady. Anecdotally, our impression is that multiples have moved meaningfully higher for platform-type acquisitions over the past couple of years, while multiples for smaller tuck-in acquisitions have started to increase more recently.

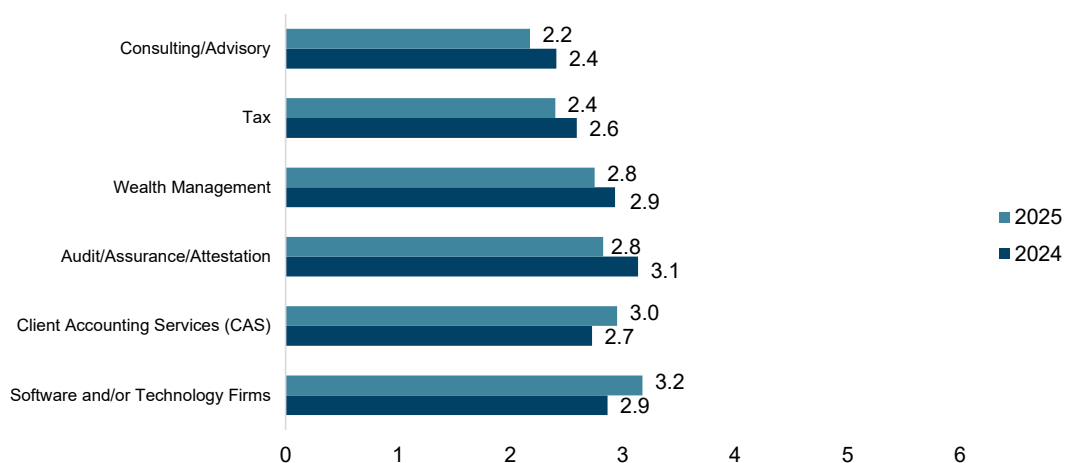
Exhibit 37
Trend of Acquisition Multiples



Source: William Blair's Accounting Services Executive Survey

We also asked respondents what categories were most compelling for future acquisitions. Results were very similar to last year's most popular areas of interest; on a weighted average basis, respondents chose consulting and advisory as the most compelling, closely followed by tax. Interest in audit firms increased relative to last year, while interest in CAS capabilities waned. In total, these rankings largely reflect the organic growth expectations we outlined previously, indicating that accounting leaders are doubling down on investing in what they perceive as the highest growth areas within their businesses. Our rankings also indicate, in our view, that most leaders are relatively more interested in growing their core service lines than adding new lines of business, such as software and technology firms.

Exhibit 38
Ranked Categories of M&A Interest



Note: Scores indicate the average rank of each category across respondents; lower scores indicate higher rank.

Source: William Blair's Accounting Services Executive Survey

Lastly, we gave respondents the opportunity to respond to open-ended questions, asking “How would you characterize the evolution of the M&A landscape for accounting services firms over the past 12 months?” and “What related challenges does your firm face?”. On average, respondents were more pessimistic on the opportunity to continue pursuing M&A than we have previously heard, citing competition against private equity buyers as the main driver of “prohibitive” valuations (one respondent cited multiples of 15 times to 17 times). Overall, the appetite to continue leveraging M&A as a growth driver appears to be firmly intact, but there are now fewer opportunities that make economic sense, especially for smaller independent buyers. This is consistent with the M&A dynamics described in our December 5 note on CBIZ, [Highlights From Investor Meetings and Recent Industry Conference; Marcum Growth, Next Year’s Outlook, and AI All Top-of-Mind](#).

Exhibit 39

**Survey Question: How would you characterize the evolution of the M&A landscape for accounting services firms over the past 12 months? What related challenges does your firm face?
Sample of Survey Responses**

Very difficult to compete in a traditional partner model.
The pricing is at a level that is unsustainable. Exits for current private equity ownership will be challenging unless public offerings are successful.
As an independent firm, our challenge is competing with PE buyers for M&A opportunities. They're out there, it just takes a bit longer to find them.
We are seeing fewer good opportunities at the smaller firm level. When we do enter conversations, many are still remaining independent, while others are entertaining offers from PE. It is hard for a non-PE backed firm to compete in M&A over the last 12 months.
Valuations are becoming prohibitive.
Hard to do deals without private investment funding
Challenge of remaining independent and having the capital to grow.
Valuations have increased to a point that many deals no longer make sense for us. If you are a "buy and hold" type of firm multiples of 15 to 17 are hard to digest.
I think for very small "tax practices" there is very little demand; for more well-rounded, multi-owner, multiservice firms there is a continued increase in demand. I think the biggest challenge a firm like ours faces is maintaining resolve to remain independent.
Fewer quality/strategic fit targets available in the traditional CPA space.
The evolution has made it more difficult to get traditional deals done with PE in the space. It was thought for some time that they would solely focus on larger transactions but we have seen PE pursuing much smaller deals over the last year or two.
Over the past year, we've seen M&A activity pick up in our space. There's been more pressure to consolidate and growing interest from private equity. To stay ahead, we pulled together materials for potential investors and explored opportunities to team up with other like-minded firms. Our goal is to build a multicountry, multiservice platform and expand into new service lines. This trend of mid-sized firms joining forces is all about competing with the big players. Along the way, we've spent a lot of time on due diligence and planning to make sure any deal fits our culture and vision. Keeping our team engaged and maintaining our culture have been top priorities as we navigate the uncertainty that comes with M&A conversations.
We focus largely on organic growth, but entertain opportunities from time to time. The influx of private equity has clearly altered valuations (higher) and deal terms, with much more cash required at the time of closing. If we were to pursue an aggressive M&A strategy, we'd likely need outside capital to offer competitive terms.
Competing against PE has led to more creative aspects of getting the deal done. Finding the right culture and leverage fit that's "worth it" for the work to endure the integration.
Over the past 12 months, the M&A landscape for accounting services firms has continued to mature & deals are becoming more complex. □ For our firm, the primary challenges include managing capacity and talent while continuing to invest in growth, navigating increased expectations around scalability and standardization, and evaluating opportunities thoughtfully without losing focus on client service. As consolidation accelerates, the challenge is balancing strategic optionality with maintaining independence, culture, and long-term sustainability.

Source: William Blair's Accounting Services Executive Survey

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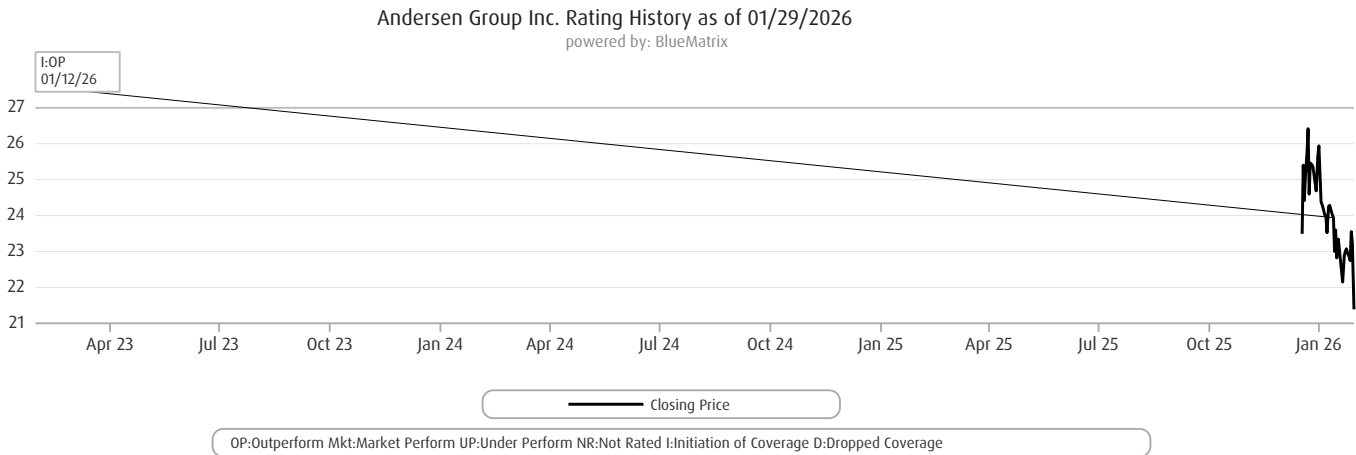
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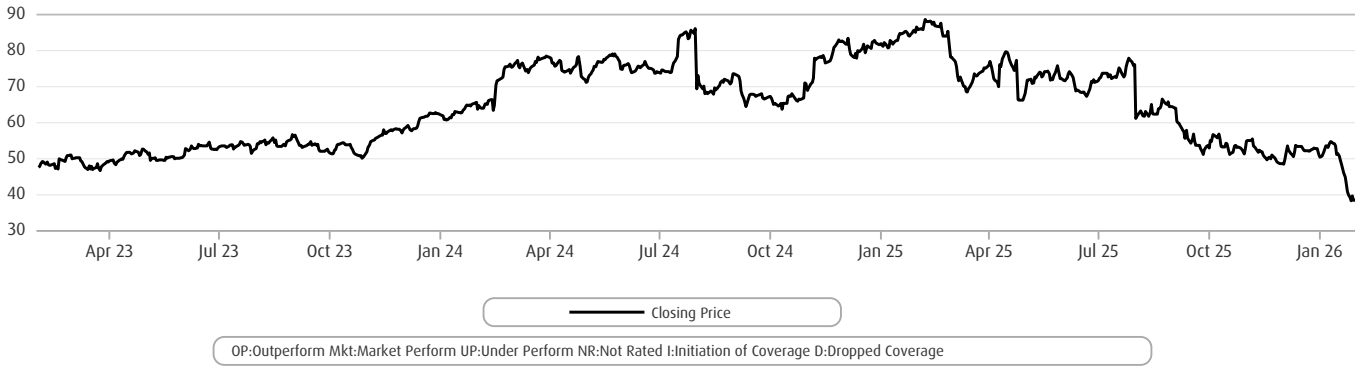
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DOW JONES: 48892.50
S&P 500: 6939.03
NASDAQ: 23461.80



Source: FactSet & William Blair

CBIZ, Inc. Rating History as of 01/29/2026
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Source: FactSet & William Blair

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