The 7 reasons business advisory isn't working

And the system to fix it. Why the traditional model cuts firm profit rather than adding to it, and what the firms tripling it do differently.

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For years, accountants have been told they are not doing enough for their clients, that their firms are under threat, and that the future means moving from compliance to advisory. Most of that is noise. The demand for compliance is as strong as it has ever been, and the last few years have proved how much small businesses depend on it. **What is true is quieter and more uncomfortable: firms that bolt bespoke advisory onto a compliance practice make less money than firms that never try.** That is a failure of the model, not of the people delivering it. This paper sets out the seven reasons the traditional model fails, and the shape of the one that works.

30% PROFIT DROP WITH TRADITIONAL ADVISORY[1]

3x PROFIT WITH THE NEXTGEN MODEL[1]

66% CONVERSION FROM FIRST CONVERSATION[2]

67% LESS DELIVERY TIME THAN THE OLD WAY[2]

HOW TO READ THIS

The seven reasons come first, because most firms will recognise themselves in at least three of them. Each one ends with what works instead. The closing section describes the system that fixes all seven, and the notes at the back state what every figure is based on.

THE PROBLEM

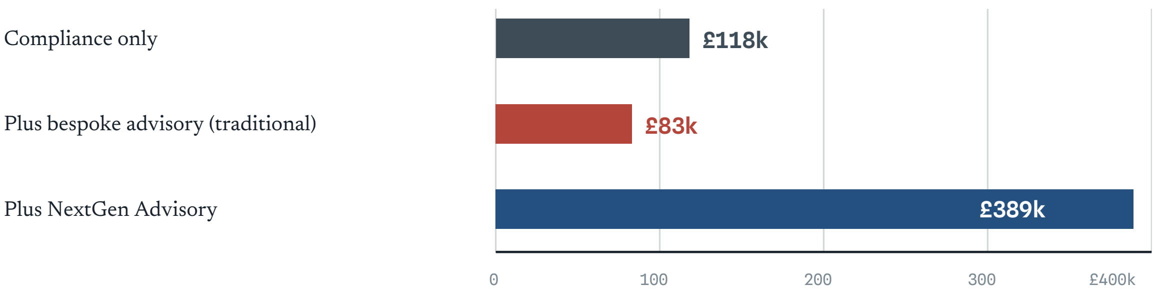
Why most firms fail to scale advisory

If you have tried advisory and it did not work, or you held back because something did not feel right, your caution was sound. The old model is broken, and the numbers show it.

Compliance-only firms average around £118k profit. Firms that add advisory the traditional way average £83k, a 30% drop.[1] The thing sold to the profession as its future has quietly made many firms worse off.

The same data carries the good news. Firms using a structured, repeatable model average £389k, roughly three times the traditional-advisory figure.[1] The difference between those two outcomes is not talent, effort or technology. It is the model. The seven reasons below are why the traditional version keeps failing, in most firms, most of the time.

Figure 1. Average firm profit, by advisory model



SOURCE Clarity HQ internal data from over 300 firms: average annual profit for compliance-only firms, firms adding bespoke advisory on the traditional model, and firms running NextGen Advisory. The 30% reduction is independently supported by the Xero Canada Report. See note 1.

> **The very thing sold as the future of the profession has made many firms worse off.**

THE SEVEN REASONS

Where the traditional model breaks

REASON 1 You call it "business advisory"

Clients do not buy accountant-speak. Most of them do not know what business advisory is, what it involves, or what is in it for them (and in plenty of firms, neither does the team). They do not really know what compliance means either. Those are industry words, and the industry is the only place they carry meaning.

Speaking the client's language starts with understanding what they actually want, value, and are prepared to pay for. Most business owners are looking for three things: more time, more freedom, or more money. Often a combination, sometimes all three.

They are not asking for management accounts, three-way forecasts or cashflow projections, because nobody has shown them what those things would do for them. So when a firm sells the outputs, the answers come back as "how much will that cost?", "isn't that already included?", or a flat no thanks.

What works is a quantifiable value proposition: what the work means for their profit, their cashflow, the time they buy back, and the freedom to do what they actually want. Sell the outcome rather than the output, show the return against the investment plainly, and the decision becomes easy. Once a client can see the value, the choice is clear.

REASON 2 You've over-complicated the process

The myth that advisory is impossible to scale, or impossible to involve the team in, persists because most firms have been trying to scale the wrong thing.

I did this myself. I took a Big 4 consulting methodology and tried to deliver it to small businesses, and I created a monster: inherently bespoke, often complex, and deliverable only by competent, experienced senior people. It was necessarily expensive, difficult to sell, and within reach of only a small slice of the SME market. Most owners could not look past the price to see the value.

The industry, the vendors and we ourselves have over-complicated advisory. Part of the problem is positioning. We cast ourselves as the hero (the expert with all the answers), which sets expectations that only a few people in any firm can meet, and puts undue pressure on everyone else.

Flip from hero to guide and everything changes. Expectations become realistic, the service becomes structurable, and far more of the team can deliver it, because a guide does not need to know every answer. Clients prefer it too. They want to be the hero of their own story, and they are not looking for a competitor for the part. They want a guide.

Most importantly, your team already has the underlying skills, knowledge and training to deliver advisory this way. What has been missing is the model.

REASON 3 Sending out reports is not advisory

Clients do not understand their numbers as it is. Sending out reports, however well designed, does not change that.

The promise is attractive. We are busy, and a report that goes out automatically feels like proactive contact: the client understands their numbers a little better, conversations start, work follows. Except the client is busy too. They have little enough time for the things that move their business forward, let alone for reading reports written in a language they do not get. Most will not read them. Some will wonder what the reports are costing. A few will ask you to stop.

Clients absolutely need to understand the financial implications of every decision they take. Mass reporting is simply not how they come to understand it. What works is a conversation: taking the client on a journey, showing them what is possible, giving them a quantifiable value proposition, and then using reporting to keep score inside an ongoing relationship.

Reports are a valuable part of the advisory process. They are rarely the start of it, and they are never the whole of it.

REASON 4 You haven't got the time (or have you?)

“Lack of time” is the most common reason accountants give for not making changes they know would transform the firm. But everyone has all the time there is. The shortage is in priorities, and in a willingness to take control of them.

In an accounting firm, the time usually goes missing in three places.

The wrong work. Over-engineered compliance. I know of a large UK firm that takes, on average, 38 hours to prepare a set of accounts. That is one extreme end of the scale, but be honest: can you say every compliance process in your firm is efficient?

The wrong clients. Too many D and E grade clients, the ones everyone groans about when they get in touch. Always late, poor records, slow to pay, quick to query the fee. Firms keep them on the theory that they contribute to overheads, while they quietly consume a disproportionate share of the firm's resources and energy.

The wrong team structure. The right people are not doing the right level of work for the right clients, which usually means senior people doing work that should sit elsewhere.

Fix those three things and the time was there all along.

REASON 5 There's no structure or framework

Most firms lack a repeatable, scalable way to deliver consistent advisory results. That is not a criticism of any one firm; remarkably little in the profession has changed in decades. The technology is new, and much of the work is done the way it always was.

Advisory in particular is still delivered the way senior practitioners have always delivered it: bespoke, ad hoc, and from experience. Look at the trap that creates. It takes significant time from partners who already have none, it is necessarily expensive, and only a small number of clients can afford it.

Now imagine the same work rebuilt as a framework: structured and systemised so that more of the team can deliver it, repeatable across clients, time-efficient and profitable for the firm, and genuinely valuable to clients (including the smaller ones the bespoke version could never reach).

That is not hypothetical. A growing number of firms already work this way, and the results follow: firms in Clarity's Elite Academy have averaged a 97% increase in profitability over the past twelve months.[2]

REASON 6 You've not properly planned it

Nothing successful gets built without a plan. No building, no engine, no business. Yet many firms try to launch an advisory service without one.

It is the builder's-own-house problem. We spend so much time looking after clients that we forget to fit our own oxygen mask first. And planning is easily displaced by the chase: a shiny new tool, one more piece of technology, one more conference. There are no silver bullets.

What works is asking the right questions before starting. What are we trying to achieve? What does success look like? Who takes ownership? How do we test before going all in? What is the pricing? How do we train the team, and how do we engage them? And where do the quick wins come from, because quick wins are what build momentum and buy-in.

The firms that succeed with advisory treat it as a properly planned project, with clear goals, milestones and accountability. The firms that fail treat it as an aspiration.

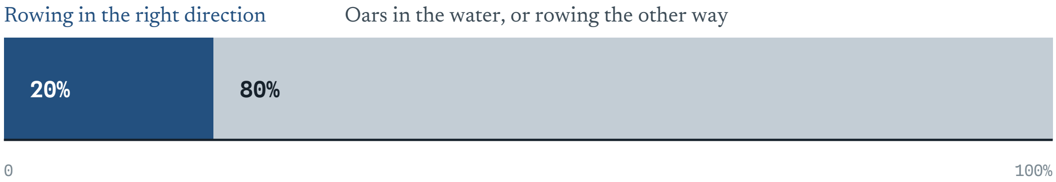
REASON 7 Your team doesn't know why

Without clarity of purpose, a team will resist every change, however good the idea behind it.

Most of us know why we do what we do (the purpose, or that lovely Japanese idea, ikigai). Very few firms have written it down and shared it. And where there is no clarity of purpose and no clarity about the plan, the same things happen every time: people stay where they are, become confused about the right course, grow anxious about the future, drift off the chosen path, and lose motivation the moment something does not work.

The research on engagement points the same way. In a typical organisation, only around a fifth of people are fully engaged and rowing in the right direction.[3] The rest have their oars in the water going nowhere, or are actively rowing the other way.

Figure 2. Who is actually rowing



SOURCE Global employee engagement research; see note 3. The fully engaged share of a typical workforce has sat at roughly a fifth for years.

To make sure nobody gets left behind, everyone on the team needs to be crystal clear about the purpose, not just of the firm, but of the advisory initiative specifically. And that clarity has to be communicated in a way the whole team can own, rather than merely follow.

THE THREAT NOBODY IS TALKING ABOUT

Your clients are already getting “advisory”. Just not from you.

Right now, your clients are quietly asking AI tools about their cashflow, their margins and their growth options, and getting confident, well-structured answers grounded in none of their actual numbers, with no understanding of their industry and no accountability for the outcome. At the same time, business coaches are charging £1,000 or more a month for a conversation the accountant is better placed to have, without ever seeing the real figures.

The demand for business guidance is not theoretical. It is already being met, by someone (or something) less qualified than you. Accountants sit closest to the numbers. You see what is actually happening, rather than what the client says is happening, and you understand risk, trade-offs and consequences better than any coach or chatbot. The gap between what owners need and what most firms deliver is enormous, and it widens every day.

The full evidence on how far this has already gone (five studies, 37,220 businesses) is set out in our companion paper, The Second Opinion.

THE ANSWER

One root cause, one fix

Every one of the seven reasons traces back to the same place: the model most firms were given for advisory was never designed to scale inside a real accounting firm.

Working harder does not fix that. Another conference does not fix it, and neither does one more reporting tool. The fix is a different model.

NextGen Advisory replaces bespoke complexity with repeatable structure. It sells the outcomes clients actually want (more money, more time, more freedom) rather than reports. And it is designed to be delivered by the team, not carried in one partner's head. That is the change that makes advisory scalable, and it is why the same firms that struggled for years with the traditional model find this one takes hold quickly.

3x
PROFIT VS THE TRADITIONAL MODEL[1]

66%
FIRST CONVERSATIONS THAT CONVERT[2]

67%
LESS DELIVERY TIME[2]

97%
ELITE ACADEMY PROFIT UPLIFT, 12 MONTHS[2]

Behind the averages sit real firms of every size, from sole practitioners to Top 20 firms. A traditional practice that had plateaued added £120k of profit in six months. Another generated £60k in a single week after adopting the system.[2]

Clarity HQ is the complete NextGen Advisory system: the methodology, technology, education, mentoring and support that lets an accounting firm deliver scalable, profitable advisory that clients actually want to buy. Built by accountants who have done it, and used by firms in 17+ countries.

NEXT STEPS

If you recognised your firm in any of the seven

- **Get your NextGen Advisory Score.** Twelve questions, three minutes, and a detailed report on where your firm stands. Take the quiz »
- **Watch the on-demand web event.** "How to Add £100k+ Profit with Advisory, and Scale It Across Your Firm": how the system works, from accountants who have implemented it. Watch now »
- **Or talk it through.** Book a NextGen call with the team »

We also run the NextGen Accelerator, a three-day implementation lab at Heathrow, quarterly: where firms come to define, market, sell, price, deliver and scale advisory that works.

WHERE THIS LEAVES YOU

The profession is changing either way. The firms that move first will capture the opportunity. The rest will watch someone else fill the gap (coaches, AI tools, competitors), one client conversation at a time.

Notes to the figures

1 **Firm profitability by advisory model.** Clarity HQ internal data from over 300 firms: compliance-only firms average around £118k profit; firms delivering bespoke advisory under the traditional model average £83k, a 30% reduction, with the reduction figure independently supported by the Xero Canada Report on advisory profitability; firms running the structured NextGen model average £389k (roughly three times the traditional-advisory figure). The same figures and sources are set out in *The Drift* (Aynsley Damery, Clarity Business Press, 2026), notes 5 and 6. Clarity's own data; the 30% reduction is corroborated externally.

2 **NextGen Advisory results.** Clarity HQ member data: 66% average conversion from an initial Business Diagnostic conversation to an ongoing advisory engagement; 67% less delivery time compared with advisory on the traditional model; 97% average profitability increase among Elite Academy members over the past twelve months. The £120k-in-six-months and £60k-in-a-week results are individual member firms, cited with their permission in Clarity's published material. Clarity's own data; individual results vary with the firm's starting point.

3 **Employee engagement.** Global engagement research (Gallup, State of the Global Workplace, successive years) has consistently put the fully engaged share of a typical workforce at roughly a fifth, with UK figures running lower still.

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