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Accounting firms bet on tech advisory services as key growth engine

By Sean Teehan

National accounting firm CliftonLarsonAllen (CLA) is creating machine learning models to help manufacturing clients revamp their processes.

Marcum last year tasked its chief information officer with leading a subsidiary focused on technology advising.

At CohnReznick, the number of employees doing advisory services has tripled to 600 since 2014.

CPA firms have traditionally been known for providing audit and tax services, but increasingly many Greater Hartford accountants have begun to offer, or are growing tech-centric advisory services. Local industry leaders say they see this as a major potential growth area, as artificial intelligence, cybersecurity and other technology areas become a greater focus for small and mid-market businesses.

“Advisory is the future, and it is essentially going to fuel growth for accounting companies,” said Bhavesh Vadhani, cybersecurity and privacy leader at CohnReznick, which has its downtown Hartford office at the Metro Center, 350 Church St.

Accounting firm professionals nationwide have noticed an uptick in demand for tech consulting, according to Sage, which makes accounting and business management software. In a survey Sage released in November, 82% of the more than 1,000 U.S. accountant respondents said clients’ expectations have widened to include services such as technology advising.

Michael Pelletier, who leads tech solutions at CLA’s West Hartford office, said his team has grown from 10 people three years ago (when he worked for blumshapiro, before that firm merged with CLA), to about 40 today. While accounting firms have always offered business advisory services in some form, it’s gotten more intensive, he said.

For example, Pelletier said he created a machine-learning model that helped a metal manufacturer significantly improve its machine set up times, freeing up an employee — who previously did the job manually — for other tasks.

Many companies are tracking useful data, but don’t know how to properly use it, Pelletier said, which is why he sees an opportunity to greatly increase this kind of work for clients.

“I think it’s going to be a pillar [of our business],” Pelletier said. “I think it’s a natural progression to move from the finance office out into some of the other areas of the business.”

Digital shift

Accounting firm Marcum is ramping up work at its technology subsidiary, said Peter Scavuzzo, the firm’s chief information and digital officer, and CEO of Marcum Technology. The firm over

the last seven months has increased by about 20% the number of workers focused on tech advisory services.



Peter Scavuzzo

Scavuzzo began leading Marcum Technology in early 2020, tasked with turning the business unit into a tech consultancy for mid-market companies. Today it offers clients — including several in Greater Hartford — consulting on tech infrastructure, cybersecurity and other technology topics.

Eventually, Scavuzzo said, Marcum Technology could even develop software products, and bring them to market.

“The demand is very, very high,” Scavuzzo said, noting that Marcum’s decision to have its CIO focus almost entirely on building up the tech advisory business reflects how seriously the firm takes it. “There’s a very long-term commitment to this.”

Richard Tavolieri, managing partner for accounting firm Deloitte’s Hartford office, said he’s noticed a sizable uptick in clients asking for assistance with shifting digital operations to cloud-

based servers and cybersecurity issues. He attributes a lot of this to the COVID-19 pandemic, which forced businesses to increase their use of technology for transactions and remote work.

Many of the changes Deloitte's clients are seeking have been in the works for awhile, Tavolieri said, but the pandemic sped up the shift to more technologically-sophisticated systems.

"This pandemic was an opportunity for them to invest not only in today's technology, but also tomorrow's technology," Tavolieri said. "There could be other types of disruptions in the future [and companies are asking] 'how do we navigate that disruption?' "

Tech advisory services were often left to high-end consulting firms that cater to Fortune 100 companies, but accounting firms see opportunity in assisting smaller mid-market companies, said Bhavesh Vadhani, CohnReznick's cybersecurity and privacy leader.

CohnReznick established an innovation lab five years ago, where it regularly hosts clients for two-day tech-training sessions, Vadhani said. He believes small to mid-sized businesses will increasingly become a target for firms that offer tech advising.

"I think in the next 10 years, you will see that the small to mid-sized companies will be the focus point, because that's where a lot of the innovation and disruption is happening," Vadhani said.

"That's where the money is formed."