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FALL PAYROLL 2026 FROM COMPLIANCE TO GROWTH

How A.I. is Helping Accountants Build More Valuable Client Relationships



From compliance to strategic growth: How AI is helping accountants build more valuable client relationships

AI is giving accounting firms a path to move beyond compliance work and create more time, insight and capacity for proactive advisory relationships.

Artificial intelligence (AI) is proving to be a game-changer for many businesses, and accounting firms are no exception. AI-powered tools can offer firms new ways to streamline work, with perhaps the greatest opportunity lying in how professionals can use the efficiencies they gain to strengthen client relationships.

By automating repetitive tasks and analyzing financial, payroll, and workforce data, firms can shift their focus from rearview-mirror accounting to forward-looking strategic guidance and measurable outcomes. That shift is critical as business clients face pressure to control labor costs, maintain profitability, and remain competitive.

In fact, ADP's recent Small Business Sentiment research found that 79% of small businesses said AI boosts productivity and reduces costs, while 77% said AI improves compliance.



Heather Spurduto

Vice President,
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Channel

"The conversation has moved beyond the experimental stage from 'Should we use AI' to 'Where can AI create measurable value?'"

When grounded in reliable data and industry knowledge, AI can enhance human judgment rather than replace it. The result: faster insights, more proactive consultations, and better client experiences.

Creating capacity for higher-value work

It's no secret that staffing concerns have long been, and remain, an issue in the accounting profession. The AICPA's 2026 CPA Firm Top Issues Survey highlighted staffing and capacity challenges across firm sizes. Hiring experienced staff and workload management ranked among the top concerns for firms with 11 to 100 professionals. Meanwhile, firms with 101 to 500-plus associates cited workload management as a leading issue.

For firms seeking growth with strained bandwidth, AI and automation can help relieve the burden of time-consuming, repetitive administrative work. Tasks such as payroll processing support, data entry, reconciliation assistance, document categorization, research, report generation, and client communications offer high-value opportunities.

This frees up time for professionals to deliver the strategic, proactive guidance clients want and expect. In other words, efficiency alone doesn't create a more valuable client



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1. ADP, Internal survey of 244 Accountant Connect users in 2026



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relationship; the value comes from how firms use the capacity they gain.

A 2025 working paper from Stanford Graduate School of Business offered evidence of what that shift can look like in practice. An analysis of 79 small and midsize accounting firms found that AI adoption was linked to a 55% increase in weekly client support. The findings suggest that AI's value lies not only in completing tasks faster but also in creating more room for client-facing work.

"Compliance remains essential, but clients increasingly expect proactive guidance. AI can help surface insights faster, giving accountants more time to interpret information and recommend actions. Accountants are uniquely positioned because they already have visibility into financial, payroll, and operational data."

Turning workforce data into business intelligence

Payroll data has traditionally been associated with processing payments, calculating taxes, and meeting compliance requirements. However, it can also provide an ongoing view of a company's financial and operational health.

When accountants combine payroll information with financial results, they can help clients understand how staffing decisions affect costs, margins, and cash flow. Indicators that can inform client conversations include:

- **Labor costs:** Rapid increases may signal margin pressure or reveal that pricing and profitability need closer examination.
- **Overtime:** Persistent increases may indicate understaffing, uneven workloads,

or an opportunity to reconsider staffing levels.

- **Hiring activity:** Hiring patterns can provide clues about anticipated growth and expansion, while also highlighting potential operational strain.
- **Turnover:** Employee departures can point to retention challenges and additional onboarding costs.
- **Workforce growth:** Changes in employee counts can affect labor budgets, cash-flow forecasts, and compliance obligations.

These indicators become more powerful when viewed together and in the context of the client's business. The opportunity is to move beyond presenting historical figures and help clients understand the implications.

"Accountants can translate workforce and payroll insight into actionable recommendations that can help to monitor and improve cash flow while gaining control of labor costs. This helps to spike business performance and profitability," said Sperduto. "Instead of reporting on what happened, the consultations now move to recommendations on what happens next."

Workforce changes can also trigger new compliance obligations for clients. For example, adding even one employee may push a business over a threshold for certain federal or state requirements, including retirement program mandates and other employment-related obligations.

A holistic view of a client's payroll and HR landscape lets firms monitor workforce data and strengthen their role as a trusted advisor by providing proactive guidance.

Building recurring advisory revenue

Payroll and workforce data, which many firms already have, provide a foundation for developing recurring advisory services. The key is to package services properly to create new revenue opportunities.

One option, suggested Sperduto, is a quarterly workforce health review that examines labor costs, overtime, hiring, and turnover. These reviews can help clients track changes over time, identify emerging issues, and evaluate whether staffing decisions are producing the intended results.

Other opportunities include compensation benchmarking to help clients assess whether their pay practices are competitive, as well as benefits strategy consulting informed by industry data. Year-end payroll advisory sessions can combine a review of payroll accuracy and tax reporting requirements with workforce planning and tax planning for the coming year.

"Accountants become the storyteller backed by the actual data of what occurred in the client's workforce, and now together they can plan for what is ahead," Sperduto said.

Connecting data, technology and expertise

Delivering these services effectively depends on having reliable information available when it's needed. Connected platforms that establish a single source of truth give firms the visibility and data accuracy they need.

Important capabilities include payroll-to-general-ledger integration, workforce analytics, real-time reporting, automated data synchronization, and compliance support.

When implementing technology, be deliberate. Sperduto recommends starting with one or two high-volume processes, identifying specific pain points, and introducing approved tools with appropriate safeguards. Firms should involve employees, provide training, and set clear expectations for human oversight rather than attempting to automate everything at once.

Trust must remain central, particularly when systems handle sensitive payroll and workforce information. Data privacy controls, user permissions, responsible AI policies, auditability, and ongoing monitoring are essential.

AI should support decision-making rather than independently determine consequential financial, payroll, or compliance matters. In fact, ADP's research found that 85% of small businesses want a human involved when using AI-driven solutions, and 83% say trust is a top concern. These findings reinforce that AI works best when paired with professional expertise, oversight, and accountability.

"AI is creating significant opportunities for accounting firms, but technology alone isn't the advantage. The firms that will stand out are those that combine AI, trusted data, and professional expertise to deliver more proactive guidance," said Sperduto. "As businesses face increasing workforce complexity, accountants are uniquely positioned to help clients connect financial, payroll, and workforce insights to make better decisions. The future of advisory isn't about replacing human judgment. It's about empowering it."

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