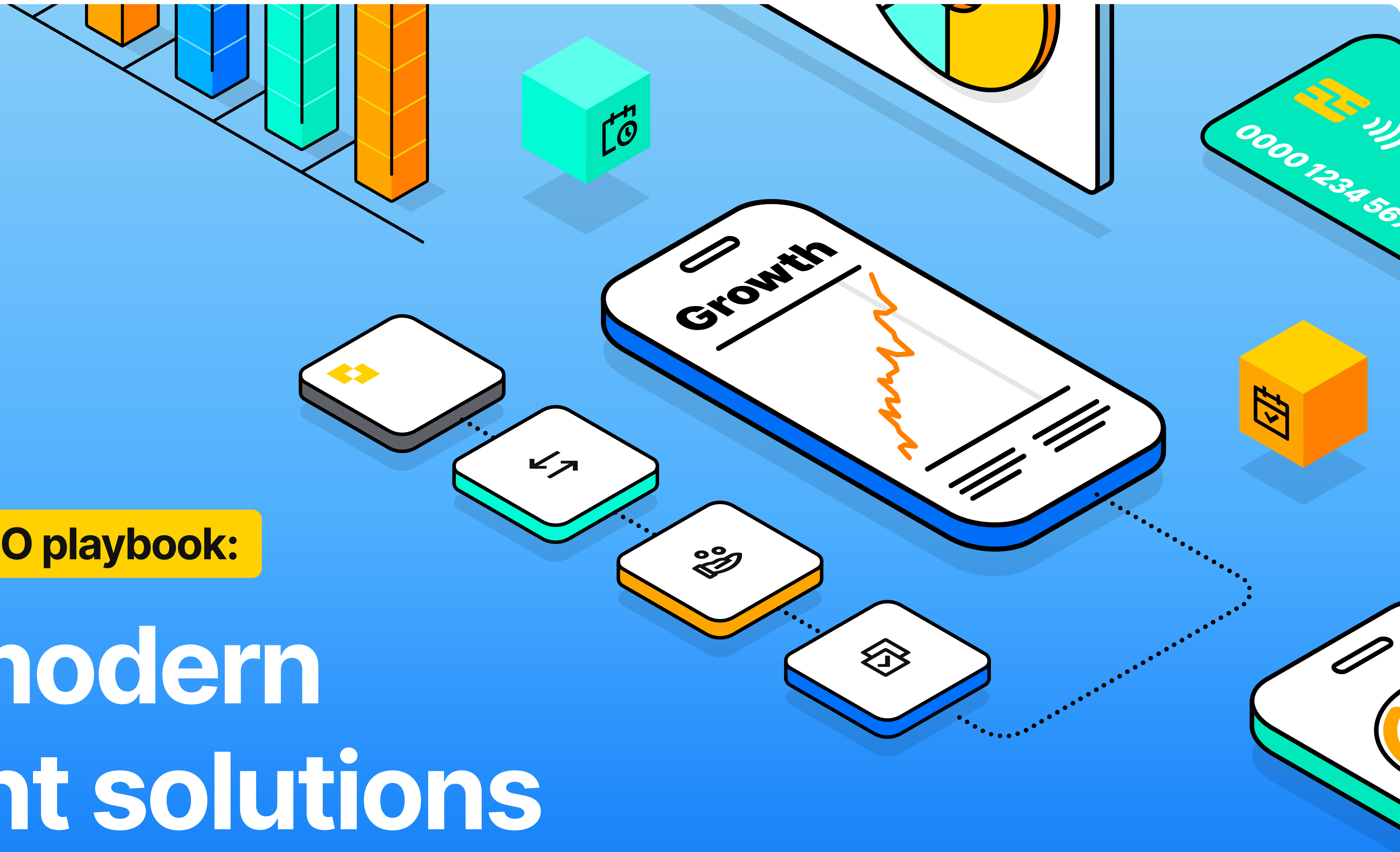
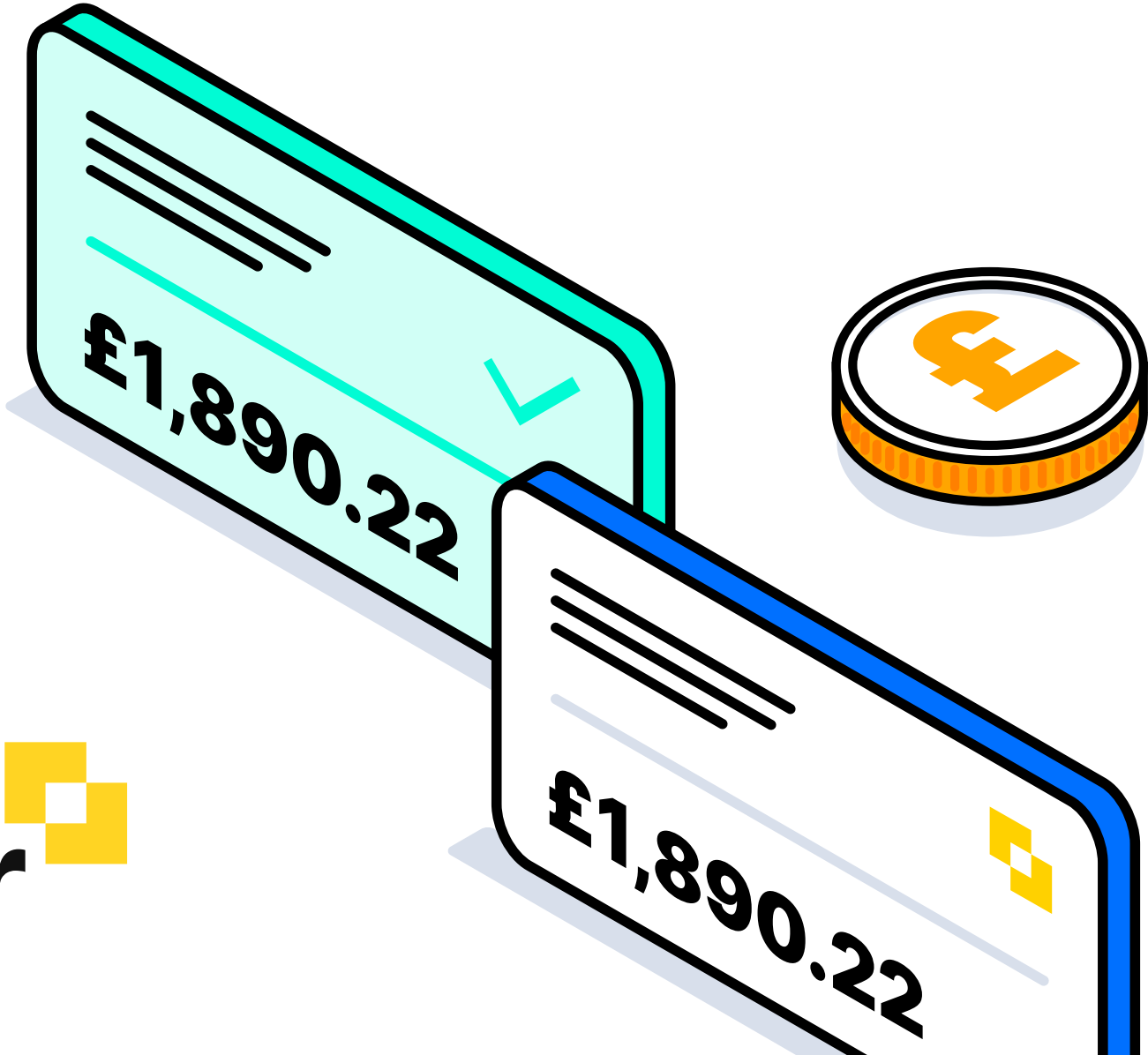


The fractional CFO playbook:

**Using modern
payment solutions
to unlock client value**



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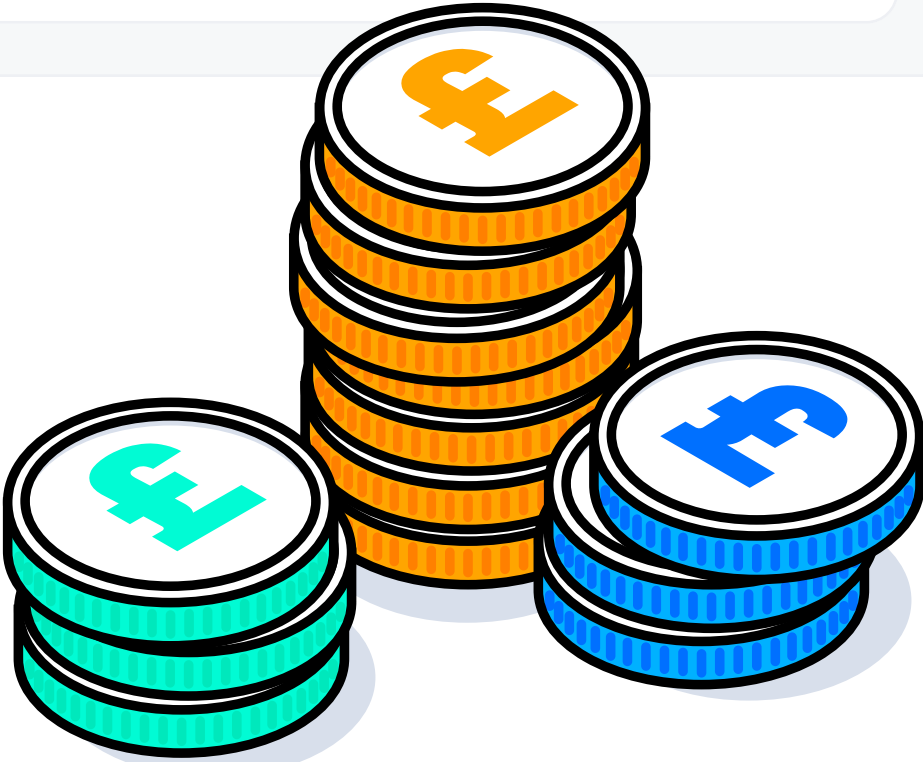
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About the report



Executive summary

01

The shift towards strategic accounting services

Businesses now demand proactive, strategic financial support, moving beyond traditional compliance services. Fractional CFO offerings like forecasting, payroll, and investment strategy help firms drive client success and growth.

- **75% growth** in investment and business strategy advice over the past five years.
- Medium-sized firms are well-positioned, with **50% projecting expansion** (vs. 39% overall).

02

Outdated payment systems are a major roadblock

Inefficient payment systems hinder scaling and strategic services, diverting time and resources. Firms face inflexibility, high costs, and processes that strain client relationships.

- **34% of firms** cite inflexible systems; **30%** report time-consuming processes.
- Inefficient systems negatively impact client satisfaction for **27% of firms**.

03

Modern payment solutions enable transformation

Flexible, automated platforms streamline workflows, reclaim time, and improve transparency, allowing accountants to focus on strategic work.

- Only **27% of firms** currently use modern systems, but **67% are ready to adopt one**.
- Automation can free up over **three hours weekly for 46% of firms** currently bogged down by reconciliation and payment issues.

04

The solution: expanding your toolkit to become a fractional CFO

Adopting modern systems positions firms as strategic partners, driving growth and efficiency. Solutions like Modulr enable firms to scale, deliver value, and deepen client relationships.

- **40% of firms** identify substantial upselling opportunities through expanded services.
- Medium-sized firms already report **84% client retention**—a strong foundation to drive deeper engagement and growth.

Introduction

The needs of businesses are constantly evolving, which is why accounting is always changing too.

What your clients ask of you today is likely a far cry from their needs 10 years ago.

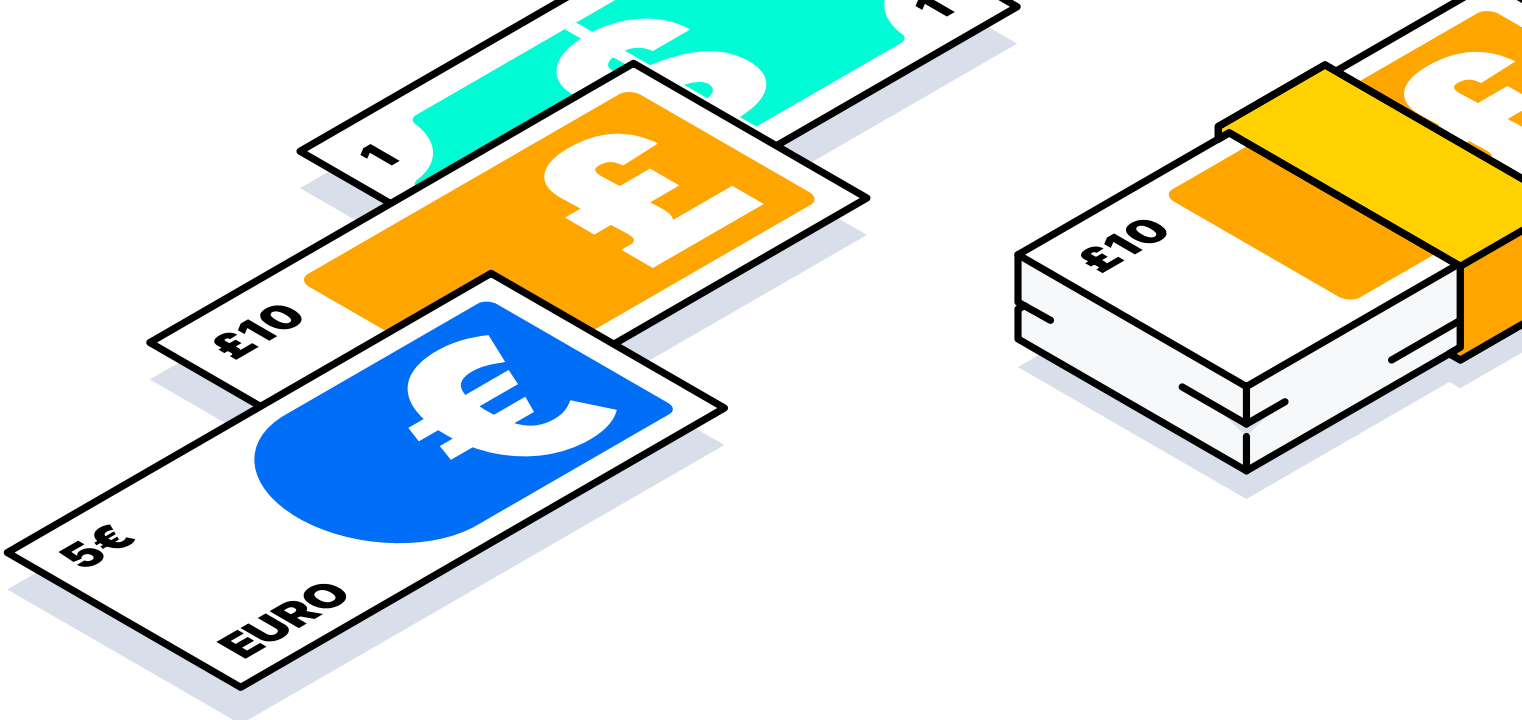
While traditional services like tax preparation, general bookkeeping, and expenses management still have their place, they're no longer enough to meet the growing demands of today's clients. These tasks, though essential, are typically sporadic, compliance-focused, and transactional. But here's the problem: businesses need more than compliance—they need strategy and operational support.

Enter the fractional CFO. This isn't just about managing clients' books; it's about managing their future. By offering services like accounts payable, accounts receivable, payroll, forecasting, and investment strategy, accountants can go beyond compliance and play a central role in their clients' success.

Over the past five years, "advisory" has become a buzzword—one that often leaves accountants asking, "What does advisory even mean?" It's been poorly defined, and the steps to get there remain elusive. That's why we created this whitepaper: to address the gap. Accountants want enriching, value-adding work with clients—but how to achieve that hasn't always been clear. By outlining the steps needed to take on more CFO functions for your clients, the path to value-adding advisory work becomes clearer.

Our research into 250 UK-based accountants and bookkeepers uncovers the untapped potential of becoming a fractional CFO, showing how deeper, more frequent client engagement not only improves retention but also opens the door to higher-value work.

The bottom line? This isn't just about keeping up. It's about stepping up. Fractional CFO services are the future, and this whitepaper is intended to help you seize the moment.



How accountants become strategic CFOs

Phil Ellerby
Managing Director, Northern Accountants



“Historically, accountants were viewed as an occasional necessity, focused on compliance and annual reviews. However, businesses today demand more. With rising scrutiny from HMRC, employment costs, and the need for real-time decision-making, clients seek experts who deliver timely, accurate insights.

“This shift naturally fosters deeper client interactions, enabling richer discussions, greater awareness of additional services, and stronger relationships grounded in trust and reliability. By meeting these expectations, accountants unlock opportunities to provide value beyond compliance, transitioning into strategic roles as trusted advisors and CFOs.”

Key service indicators

46%

Regularly handle tax services

Changes in the industry

68%

Average percentage expecting treasury services to increase in the next 5 years

Changes in the industry

75%

Growth in investment and business strategy advice over 5 years

The strategic shift in accounting services

Accounting services have changed to meet modern demands

Accounting firms are already well positioned to becoming fractional CFOs.

Yes, 46% are still keeping busy with traditional compliance tasks such as tax, bookkeeping, and expenses—but that’s just the tip of the iceberg.

Over the past five years, firms have seen explosive growth in services that go beyond the basics: investment and business strategy advice (up 75%), forecasting (73%), payroll (70%), and accounts payable/receivable (66%).

This isn’t just about crunching numbers anymore—it’s about stepping into the role of trusted partner, helping clients navigate the road to financial success.

And there are no signs of this trend slowing down, with 68% expecting treasury and payroll related services to increase in the next five years.

These changes reflect a growing recognition that clients need more than just compliance support. They seek trusted advisors who can guide their financial strategy, predict future challenges, and help navigate complex business decisions and partner to deliver core business processes as efficiently as possible. The growth in strategic and core operational services indicates that accounting firms are actively positioning themselves to fill this crucial role.

1

Back to people-first accounting and bookkeeping

Will Farnell
Author of *The Human Firm*, Farnell Clarke



“We’re actually going back to the ways of how we used to do accounting: putting the client at the very centre of everything that we do. As an owner of an accounting firm, there’s so much to consider with how we use technology. It’s about reevaluating our processes and embracing new ways of working, thanks to technology’s potential for efficiency and innovation in our client interactions.

“I find that most clients are often unaware of their specific needs. From my perspective, we carry a responsibility to help clients understand the importance of things they may not even realise they need. When discussing topics like reporting and management accounts, many clients may lack a clear understanding. Our role is to educate them effectively.”

Client retention and growth

There is a compelling connection between service expansion and a firm's success. With 75% of all firms reporting good client retention overall, and medium-sized firms achieving an impressive 84% retention rate, it indicates that broader service offerings resonate with clients. The strong desire to expand services is evident, with 89% of accounting firms wanting to offer a broader range.

This appetite for growth is particularly striking among medium-sized firms, where 50% anticipate business expansion, compared to the overall average of 39%. This suggests that mid-sized firms are particularly well-positioned to capitalise on the fractional CFO opportunity, having both the resources to expand and the agility to adapt quickly to new service models.

Client connection =
colleague retention



Stuart Hurst, Founder,
Cloud 10 Accounting

“There’s a clear correlation between the time our team spends with clients and how much they grow to love the work.

“I think it’s important that from early in their careers, colleagues have the chance to connect with clients, understand their challenges, and see the real difference they’re making. It’s this connection that creates a more meaningful experience for our team and a more exciting environment to be part of.”

UK firms’ temperature check



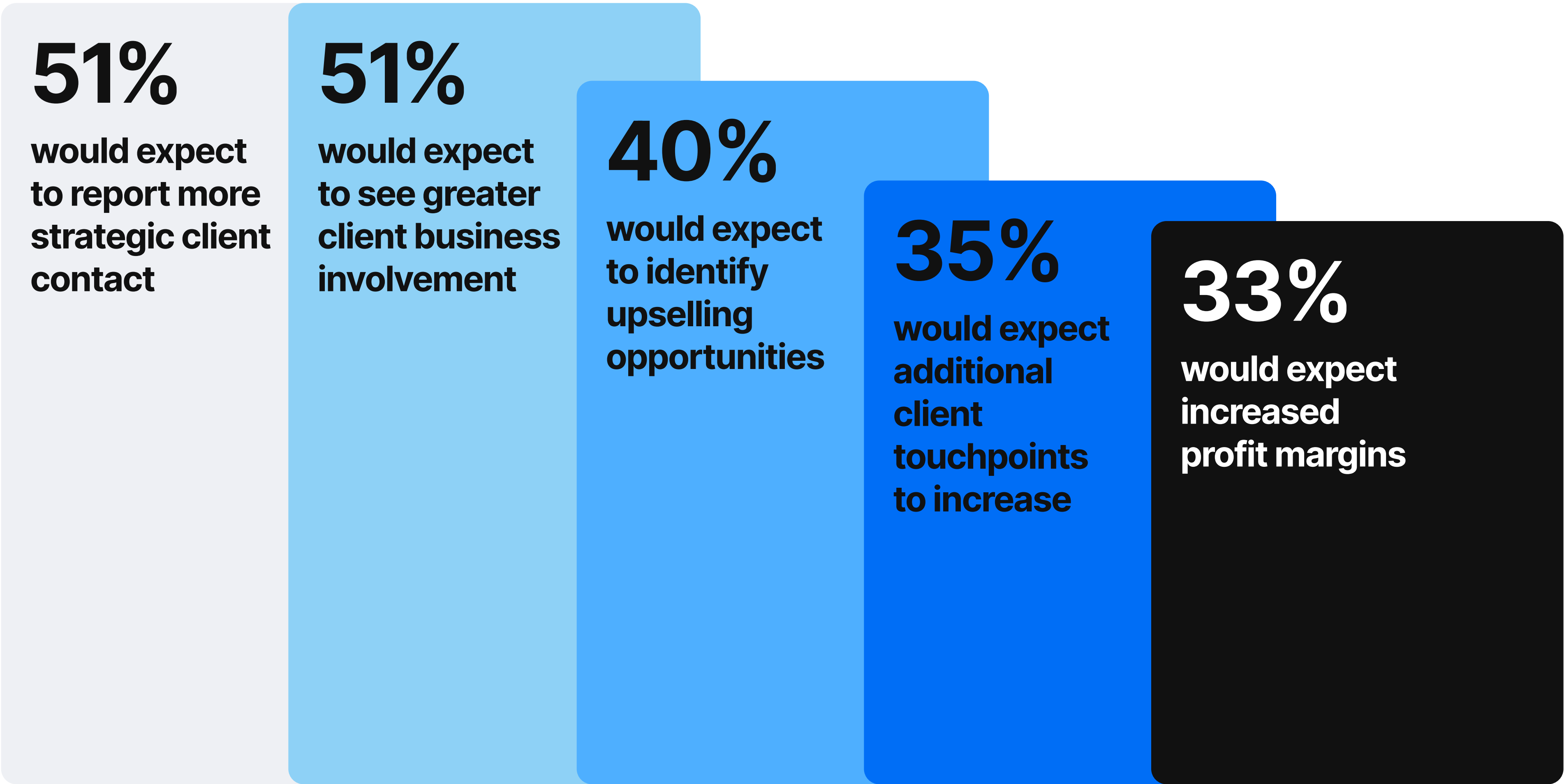
Broader services are unlocking new opportunities for greater client value

The transition to fractional CFO services brings tangible benefits for accountants and bookkeepers, and the clients they support.

The data shows that 51% of firms recognise that expanded services lead to more strategic client contact and greater involvement in their clients' businesses. This deeper engagement enables accountants to spot opportunities, predict challenges, and provide more valuable strategic guidance.

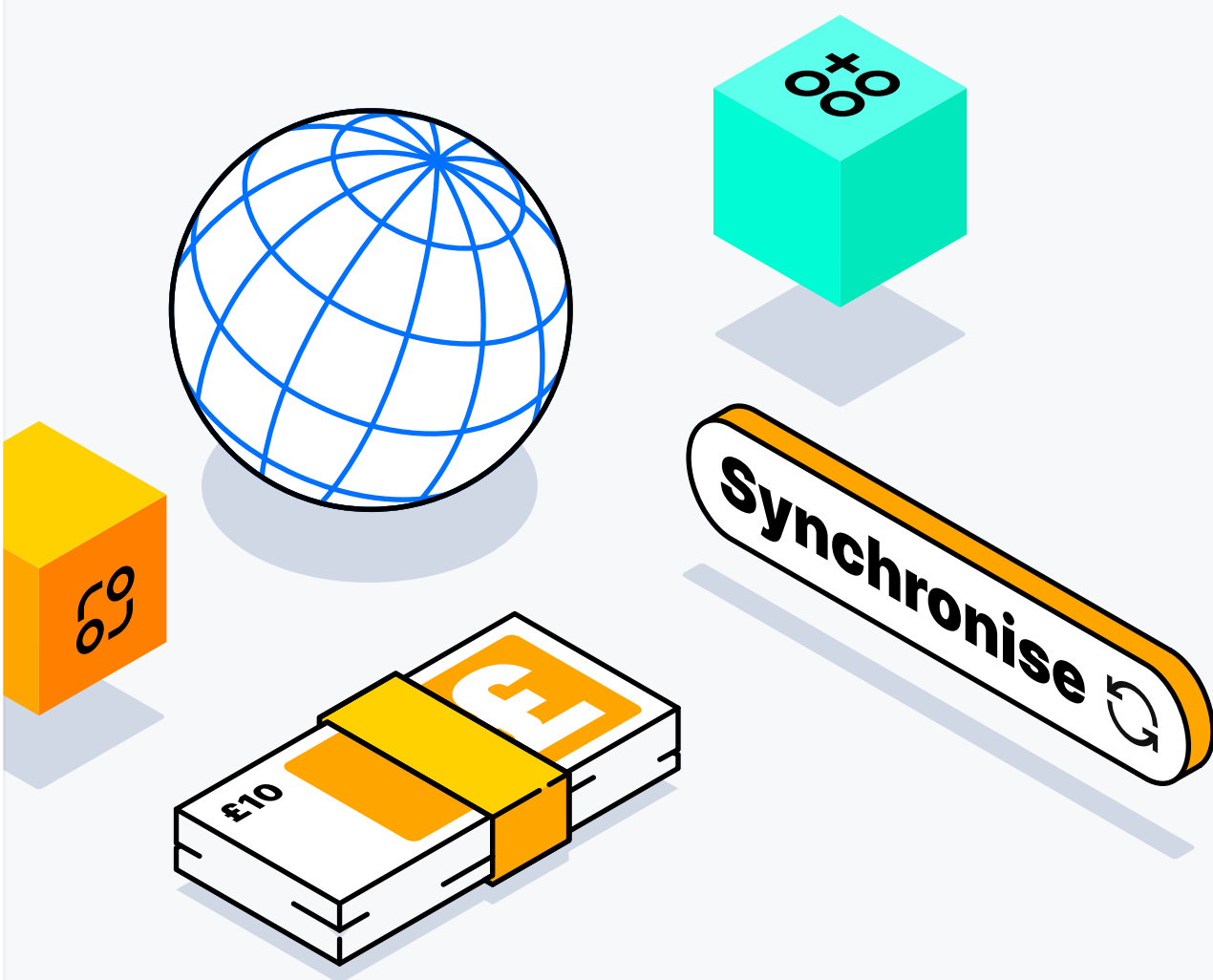
Perhaps most significantly, 40% of firms identify substantial upselling opportunities through broader service engagement.

This indicates that as accountants become more integrated into their clients' operations, they can identify and fulfil additional service needs, creating a cycle of value creation and business growth.



Why payments are the roadblock to strategic growth

2



Operational challenges in key service areas

Outdated payment systems significantly hinder the delivery of key services such as accounts receivable (AR), accounts payable (AP), payroll, and cash management.

These services are vital for accounting firms aiming to expand their offerings and drive growth. However, inefficient payment processes create operational bottlenecks that impede this progress.

These challenges are particularly problematic for firms aspiring to provide fractional CFO services, where efficient, transparent financial operations are essential for maintaining client trust and delivering strategic value. When basic payment processes are cumbersome and opaque, it becomes nearly impossible to focus on higher-level strategic advisory work.

Payroll

Manual payroll processes are time-consuming and prone to errors, affecting employee satisfaction and compliance. Streamlining payroll operations is critical for efficient cash flow management.

Accounts payable (AP)

Outdated systems may cause delays in vendor payments, resulting in potential penalties and damaged supplier relationships.

Accounts receivable (AR)

Inefficient payment systems can delay invoice processing and collections, leading to cash flow issues and strained client relationships. Effective AR management is crucial for maintaining healthy cash flow and minimising bad debt.

Cash management

Lack of integration between payment systems and accounting platforms hinders real-time cash flow monitoring, making it difficult to optimise liquidity. Effective cash management involves overseeing AR, AP, and inventory to access cash trapped on balance sheets.

The knock-on effect of broken payments...

The limitations of current payment systems create fundamental operational bottlenecks that slow growth.

With 34% of firms struggling with inflexible systems which cannot scale, many find themselves unable to expand their service offerings effectively.

The 30% of accountants and bookkeepers reporting time-consuming processes and 28% facing transparency issues points to a system that's not just inefficient, but actively holding firms back from evolving their service models.

These challenges are particularly problematic for firms aspiring to provide fractional CFO services, where efficient, transparent financial operations are essential for maintaining client trust and delivering strategic value.

When basic payment processes are cumbersome and opaque, it becomes nearly impossible to focus on higher-level strategic advisory work.

How payment tech empowers accountants to add value

Chip Mahan
Global Head of Fintech Strategy & Operations, Sage



"The role of accountants in the payments workflow has never been more pivotal, especially as businesses demand greater efficiency, transparency, and strategic insights from their financial partners.

"However, this growing influence is often stifled by outdated technology and fragmented infrastructure. Too many accountants find themselves bogged down by repetitive tasks, manual processes, and disconnected systems, which not only hinder operational efficiency but also strain client collaboration. To unlock their full potential and shift towards higher-value advisory roles, accountants need modern solutions that streamline reconciliation, automate workflows, and provide real-time visibility. Investing in the right payment technology isn't just an operational upgrade—it's a strategic imperative for firms aiming to scale their services and deepen client relationships."

Key operational pain points

34%

Struggle with inflexible systems



21%

Report system complexity



28%

Experience transparency issues related to their clients' data



30%

Face time-consuming processes



27%

Cite high costs



...impacts service delivery

The ripple effects of payment system limitations directly impact client relationships and service quality.

The 27% reporting negative impacts on client satisfaction represents a significant risk to firms' strategic ambitions.

When 23% of firms cannot efficiently provide AR, AP, and payroll services, they are effectively locked out of key opportunities to deepen client relationships.

The fact that 23% experience challenges with employee satisfaction and retention is particularly troubling.

High-quality fractional CFO services require experienced, satisfied professionals who can build long-term client relationships. When payment system frustrations drive staff turnover, it becomes exponentially harder to maintain the consistent, high-quality service delivery that strategic advisory roles demand.

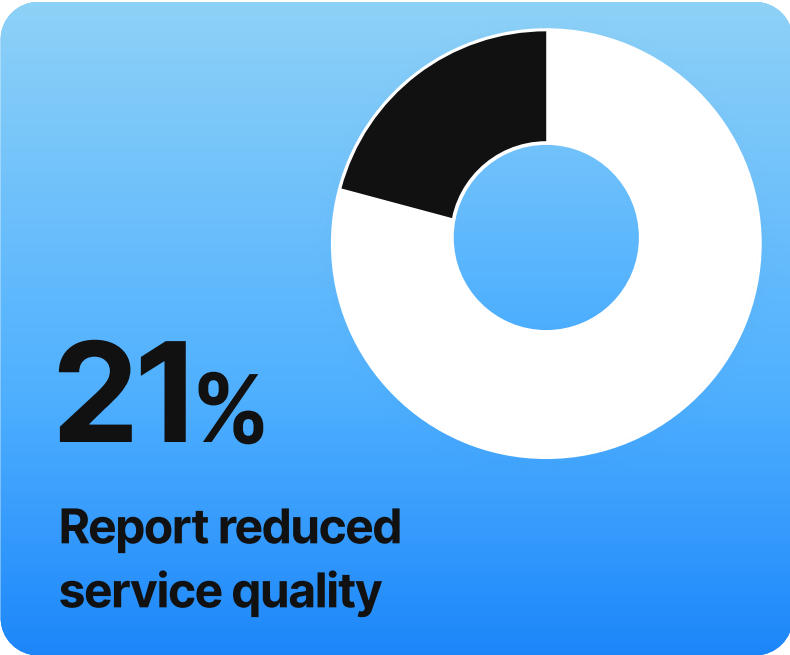
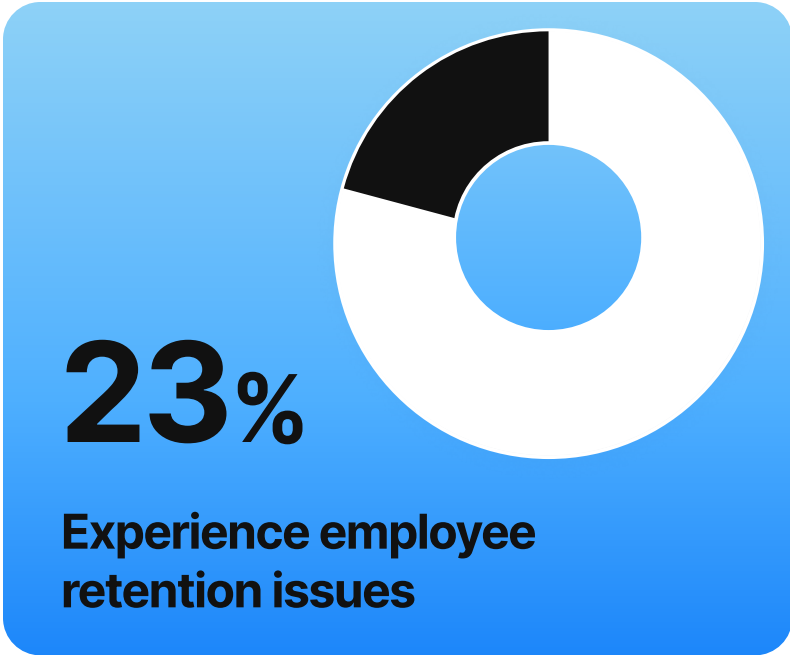
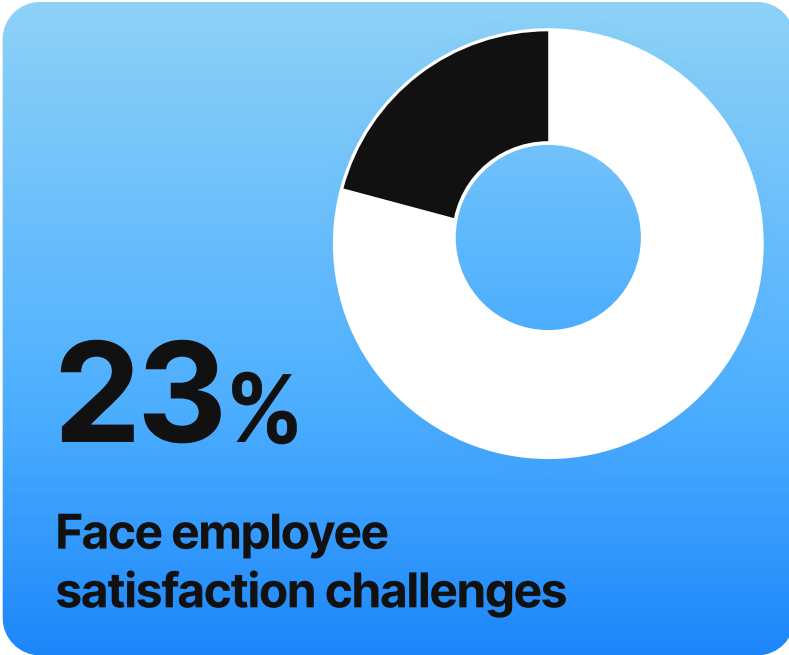
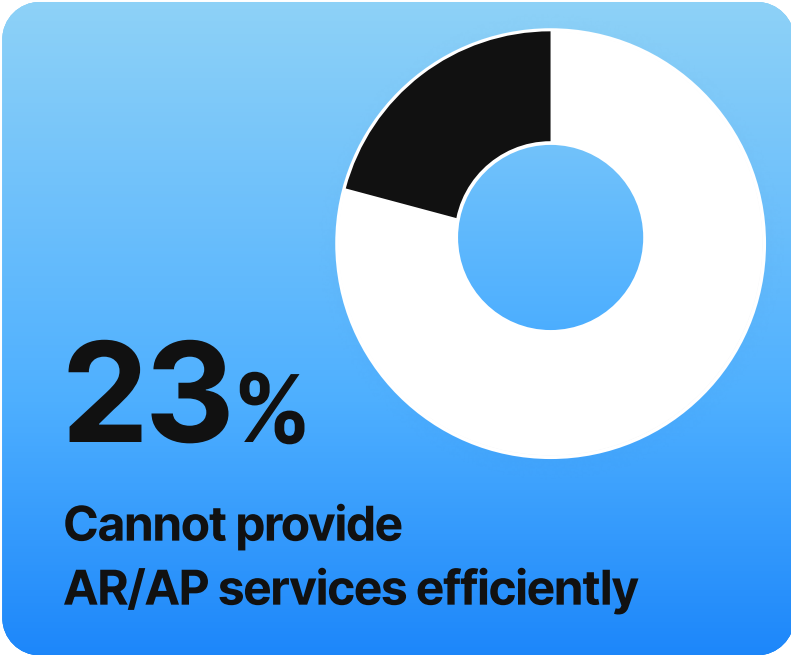
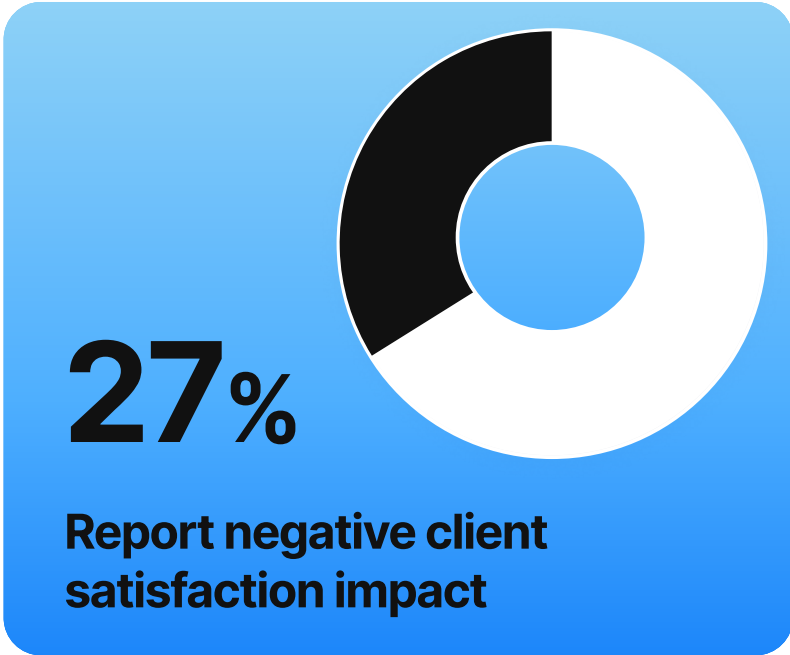
Time burden analysis

The time consumed by inefficient payment processes represents a massive opportunity cost for accounting firms.

When significant proportions of firms spend over three hours weekly on basic tasks – 46% on reconciling accounts, 46% managing payment issues, 45% on manual data entry, and 44% managing multiple platforms – it's clear that valuable professional time is being diverted from strategic work.

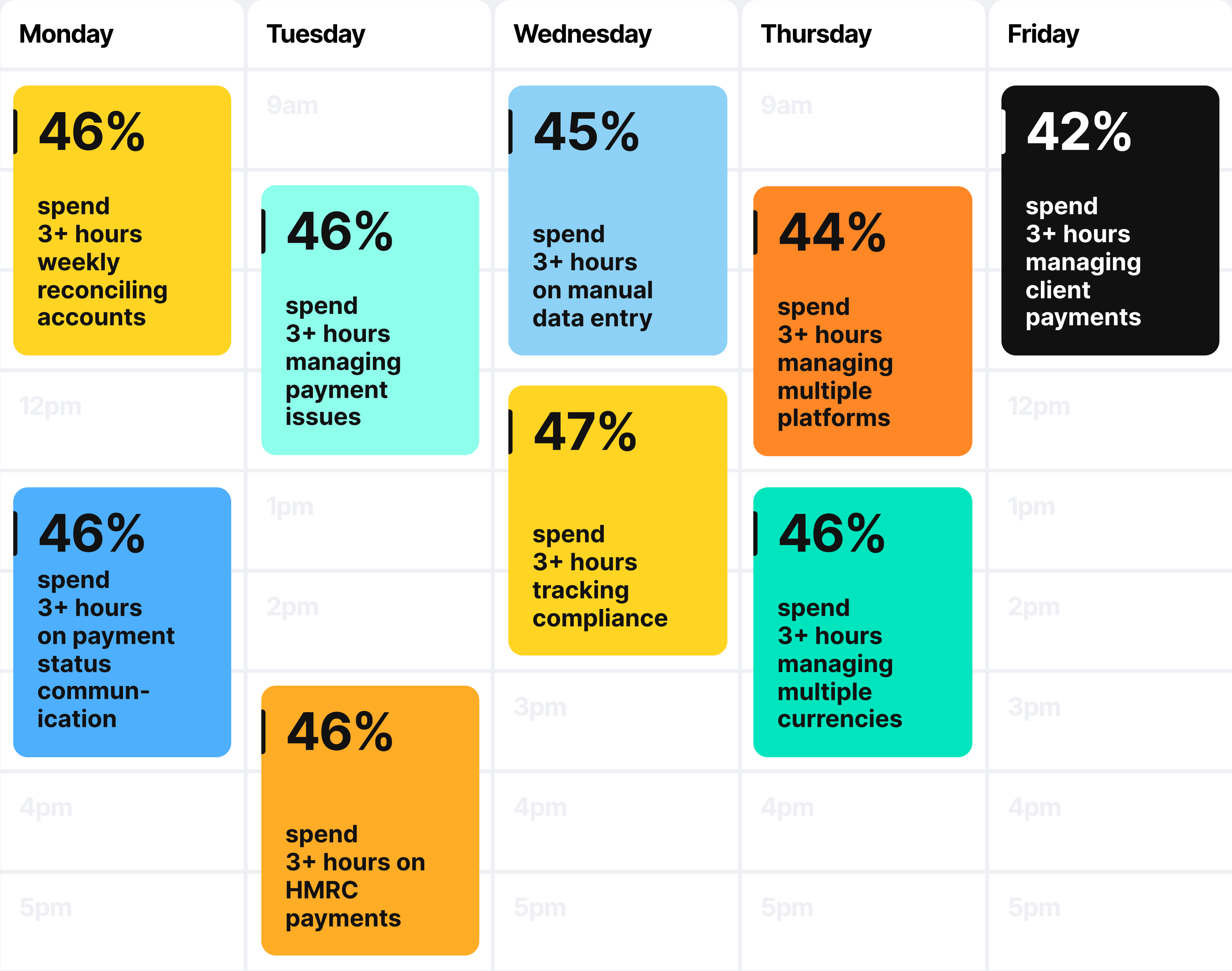
This time burden is particularly difficult for firms transitioning to fractional CFO services, where success depends on professionals having the capacity to engage in strategic planning, analysis, and client advisory work. Every hour spent on manual payment processes is an hour not spent on developing and delivering high-value strategic services.

Service
delivery
impacts



How are accountants and bookkeepers spending their time?

3 hours a week equates to 156 hours a year, the equivalent of **over one working month (4 weeks) a year**, demonstrating the extent of 'wasted time'



Business coaches are
stealing your advisory clients

Amanda C. Watts
Founder, Business Advisory Academy



**“Business coaches are raking in
premium fees for surface-level advice—
offering recommendations without diving into
the numbers or creating realistic forecasts.**

“Meanwhile, accountants and bookkeepers sit on untapped goldmines of client data, armed with the insight to understand true business performance and spot patterns across industries. The real missed opportunity? Too many accountants and bookkeepers aren’t charging for these high-value services, leaving revenue and influence on the table.”

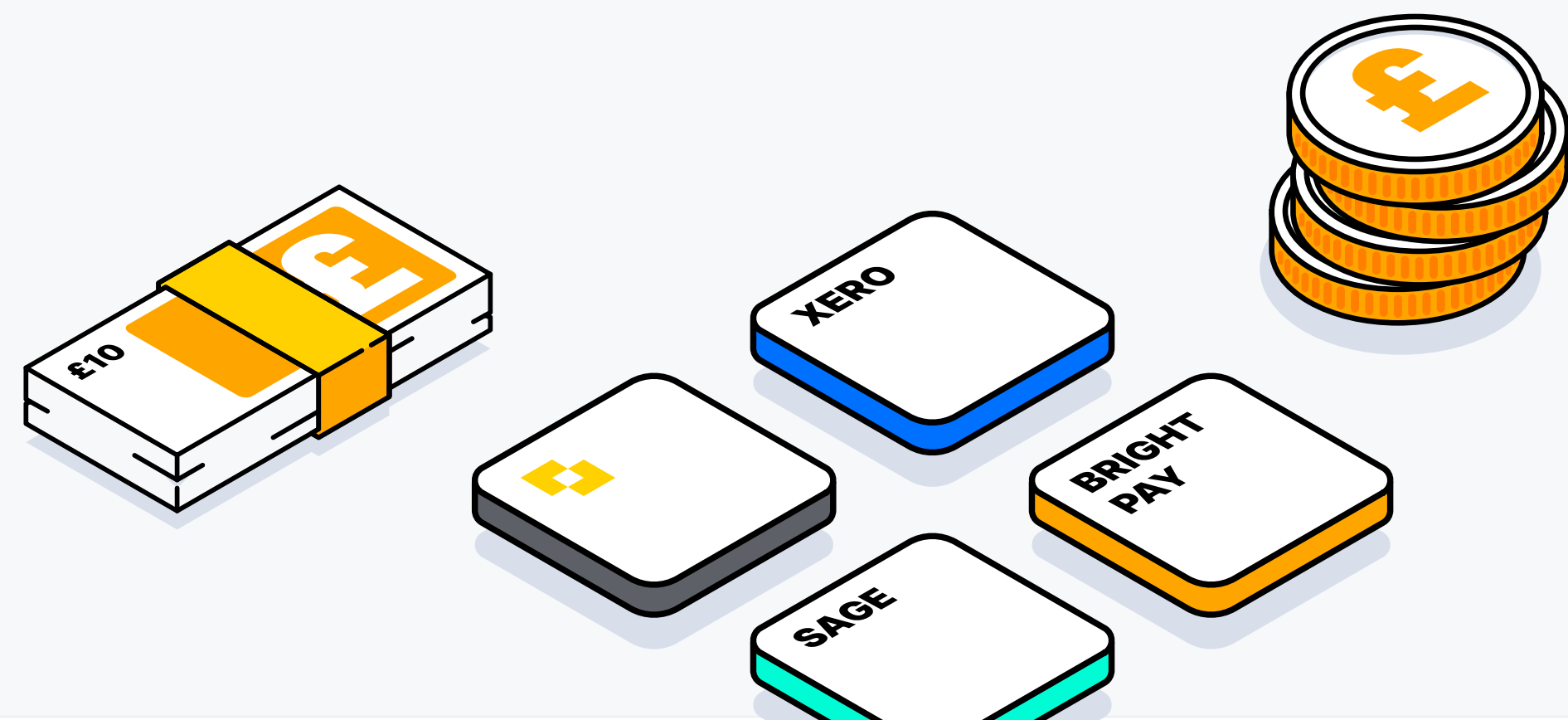


What can accountants and bookkeepers do to overcome these challenges?

3

An industry ready for change

Only **27% of firms currently use a modern payment system**—but a further **67% are ready to adopt one**. This gap represents an opportunity for accountants and bookkeepers like you to gain a competitive edge. By embracing modern payment solutions, you can close the deficit and position your practice for strategic growth.



Bridging the gap

Jonathon Stobart
Brand, Content & Communications Manager Brightpay



“The adoption of modern payment systems highlights the **immense opportunities technology offers accounting firms.**”

“While there's a common belief within the industry that change is happening at breakneck speed, the reality is more nuanced. Yes, some firms are forging ahead, whereas most are sticking with traditional options.

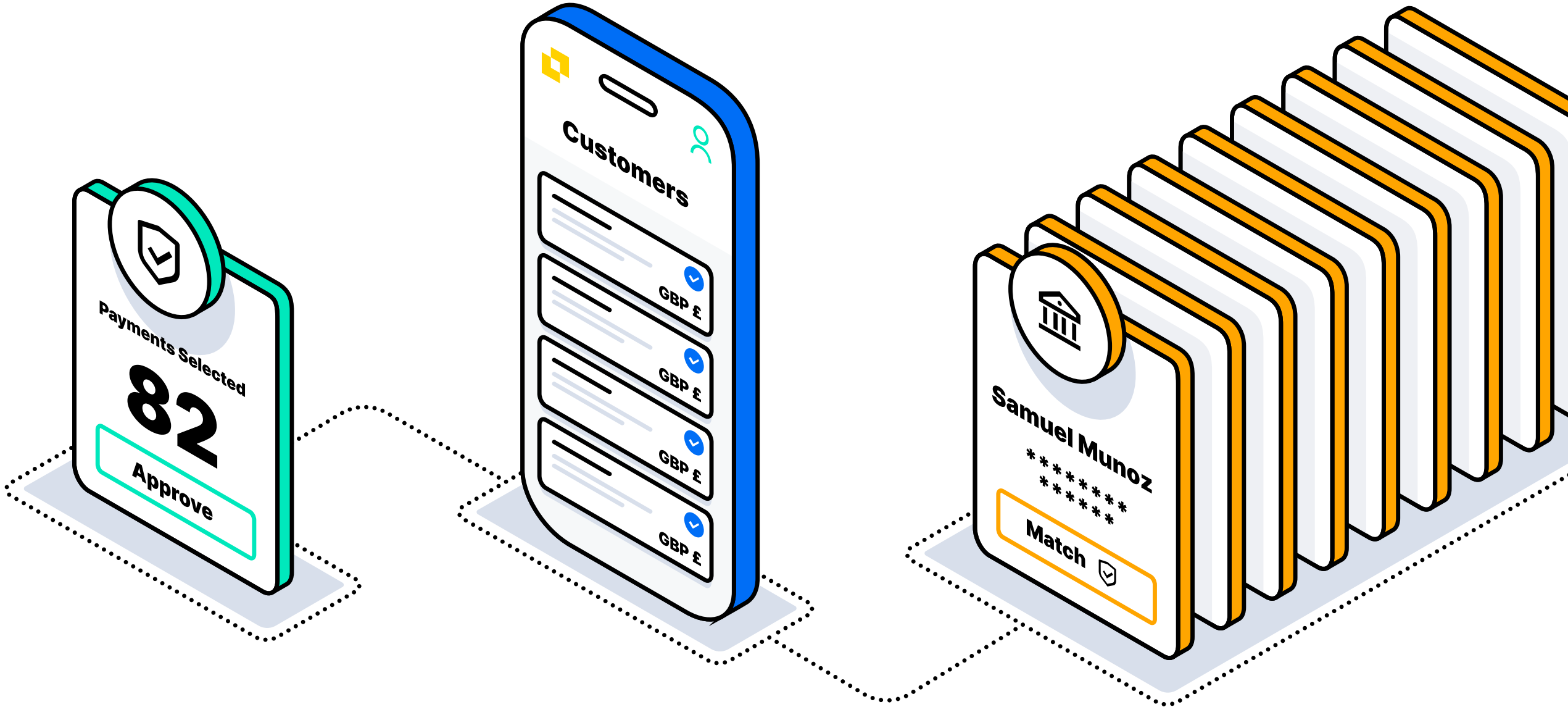
“Notably, 27% of firms stand out as early adopters, leveraging technology to differentiate themselves and maintain a competitive edge. However, this doesn't imply that the remaining 73% are deliberately sticking to outdated methods. Instead, they've yet to fully recognise the transformative potential and advantages that innovative solutions can deliver.”

What do we mean by modern payment systems?

Modern payment systems go beyond basic transaction processing to provide seamless, efficient, and integrated solutions that meet the evolving needs of accounting practices and their clients.

Examples of modern payment solutions include **Modulr** and **Sage Salary and Supplier Payments**, which offer tailored features for accountants, bookkeepers, and their clients.

These systems often include features such as:



Automation

Streamlining tasks like payroll, AP, and AR to save time and reduce errors.

Integration

Connecting with accounting and payroll software like Xero, Sage, and Brightpay for real-time tracking and transparency.

Scalability

Supporting business growth without increasing operational complexity.

The message is clear:

Outdated payment systems are holding many firms back, limiting their ability to expand services and deliver higher-value offerings.

Clients no longer see payments as a back-office task; they now expect seamless, efficient processes that support their business goals. For those willing to modernise, the path to becoming a strategic partner is wide open.



The solution deficit

27%

—
of accounting
and bookkeeping
firms use a modern
payment system

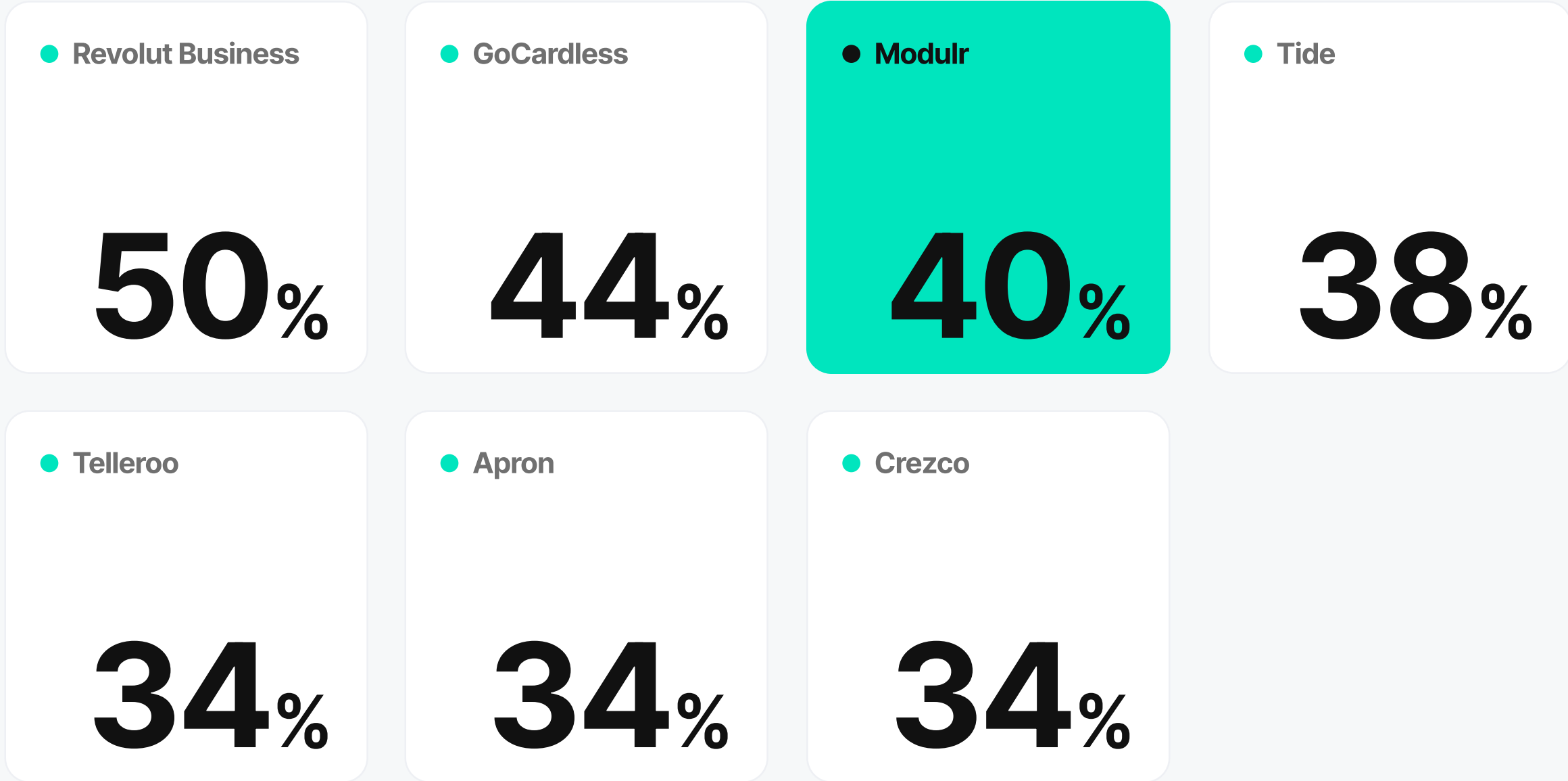
67%

—
open to using
a modern payment
system

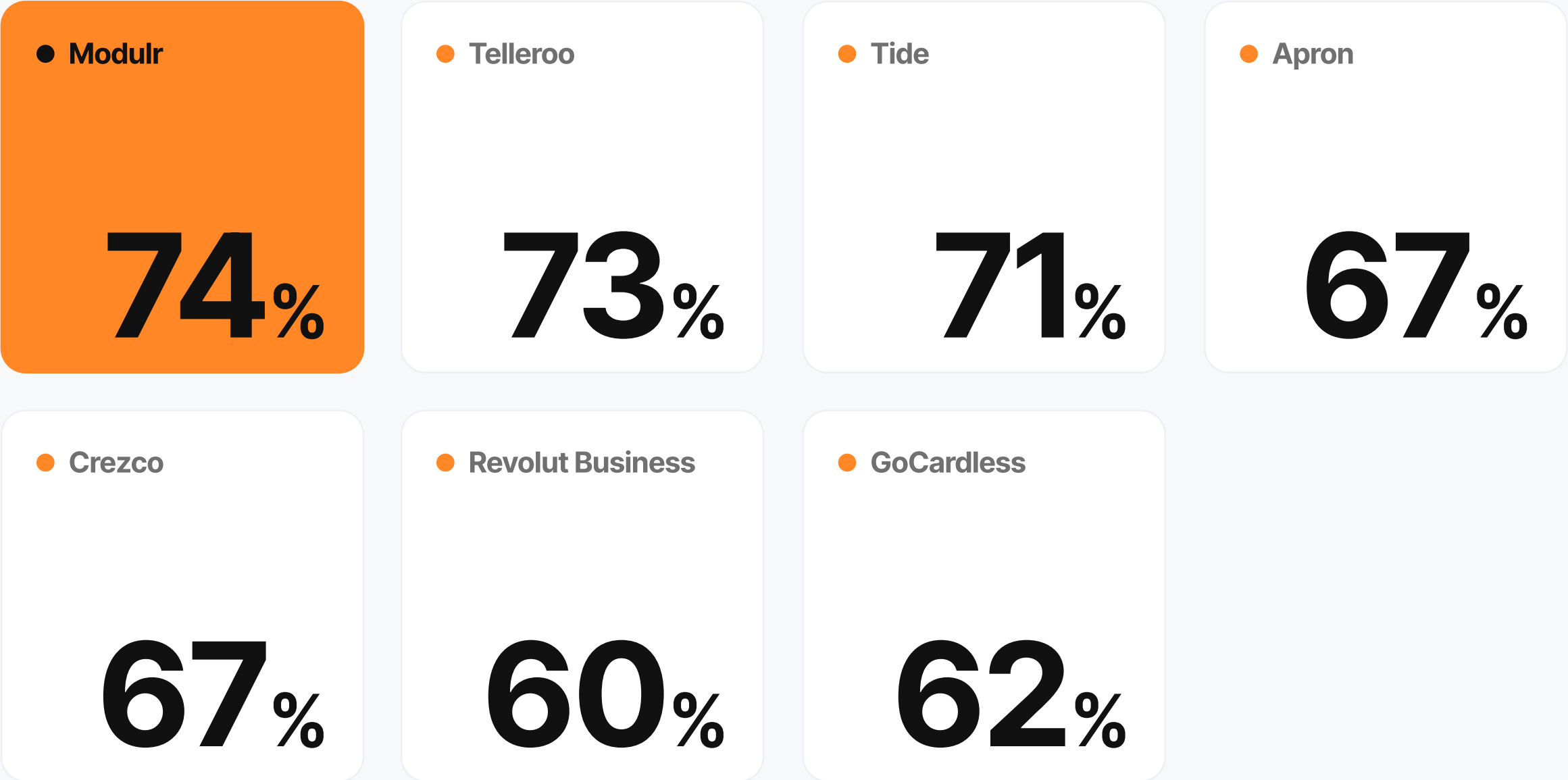
A growing recognition of modern payment solutions

Accounting and bookkeeping firms are increasingly aware of modern payment providers and their potential to transform workflows. Alongside this recognition, there's a clear appetite for adopting new tools and services to address operational challenges and enhance client offerings.

Named **payment solution providers** accountants and bookkeepers have heard of:



Named **payment solution providers** accountants and bookkeepers are open to using:



The strategic benefits of modern payment solutions

Modern payment solutions aren't just tools—they're your ticket to delivering better services and unlocking growth opportunities. Yet only 30% of firms currently recognise the full potential of these platforms to provide comprehensive payment solutions. That leaves room for you to get ahead by adopting systems that enable new service opportunities.

24%

expect automation to free up valuable time.

23%

see improved compliance as a key benefit.

23%

anticipate greater efficiency in strategic work.

23%

recognise the role modern payment systems play in strengthening client trust—an essential component for fractional CFO success.

Our research uncovers a significant knowledge gap among accounting firms about the benefits modern payment systems can bring.

While 67% of firms are ready to adopt these systems, many are unaware of their full potential.

This gap represents a unique opportunity for the accounting and bookkeeping industries. By addressing these misconceptions and showcasing the tangible advantages of modern payment platforms, firms can unlock efficiencies, enhance compliance, and build stronger client relationships.

This gap underscores the need for better education and advocacy. Modern payment systems directly address the inefficiencies and operational bottlenecks holding firms back, paving the way for strategic growth and deeper client engagement. For those prepared to embrace change, these solutions offer an unparalleled opportunity to enhance client relationships, streamline operations, and position themselves as indispensable strategic partners.

The solution: expanding your toolkit to become a fractional CFO

4

Outdated payment systems are costing accountants and bookkeepers time, trust, and growth opportunities. The good news? Advanced payment solutions like Modulr are designed to tackle these problems head-on, equipping you with the tools you need to scale and succeed.

By automating processes and consolidating tasks like accounts payable and payroll, Modulr frees you from the bottlenecks of manual work. Instead of spending hours reconciling accounts or managing multiple systems, you'll have the time and capacity to focus on delivering higher-value advisory services to your clients.



Why Modulr?

Modulr addresses the pain points holding accountants back, offering features built to save time and improve service delivery:

Seamless automation

Eliminate manual tasks like reconciling payments and tracking compliance, freeing up time for higher-value work.

Scalability

Modulr grows with your practice, enabling you to support more clients and expand services without increasing your workload.

Enhanced transparency

Real-time payment tracking ensures you and your clients always have a clear view of cash flow and financial positions.

Integrated solutions

Modulr connects seamlessly with leading software like Brightpay, Xero, and Sage, simplifying workflows for you and your clients.

Dedicated tools for accountants

Manage multiple clients' payment operations through a single platform, with practice-wide access, customisable roles and permissions, and secure approval workflows.

Accounts payable automation with Modlr AP

Modlr AP makes it easy to handle the entire purchase-to-pay workflow, saving hours of manual effort and reducing errors.

Customisable approval workflows

Multi-step auditable approval workflows combined with detailed roles and permissions to solve any client’s process.

Supplier management

Use a branded self-service portal to support compliant supplier onboarding, payment remittance and disputes.

Bulk payments

Securely pay multiple suppliers and employees, synced from your accounting software, via CSV, or using our API.

Global payments

Send payments in 35 currencies to over 180 countries, supported by market-leading FX rates.*

* Available to customers in the UK. Launching in Europe in 2025.

Leading firms show what’s possible

Accountability Edinburgh

accountability

By integrating Modulr, this Xero Bookkeeping Partner of the Year 2024 reduced payment processing time for clients by an incredible 90%, streamlining operations and improving client satisfaction.

[Case study](#)

Pixie Payroll



Using Modulr, these payroll specialists slashed client admin time by an astonishing 24 days and reduced fees, proving that modern payment systems aren’t just efficient—they’re cost-effective too.

[Case study](#)



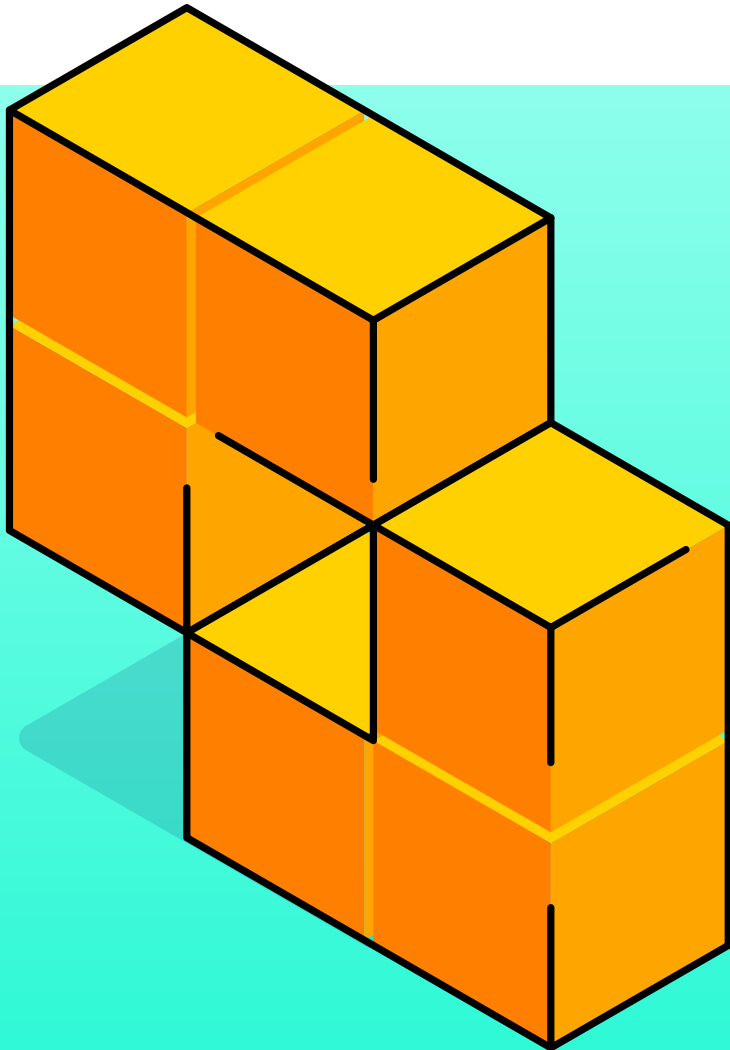
Accounting Matters

Clients save up to 90% on payroll costs thanks to Modulr’s efficient, automated solutions, allowing firms to deliver value while cutting expenses.

[Case study](#)



Your opportunity to lead



The numbers don’t lie. Modern payment solutions are a game-changer for accountants ready to step into a fractional CFO role. Modulr isn’t just a tool—it’s a catalyst for growth, helping you move beyond compliance and into strategic partnerships with your clients.

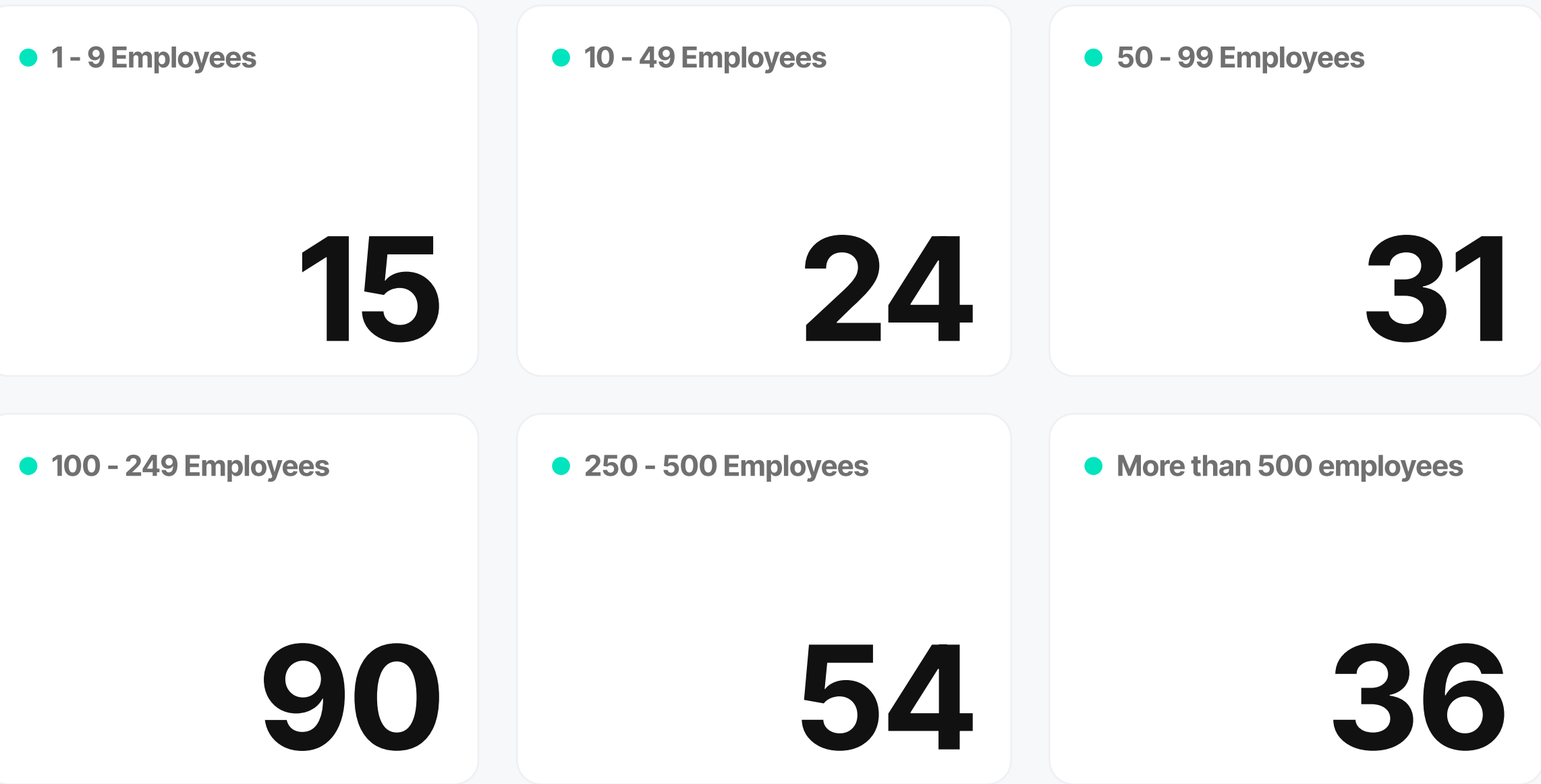
The choice is clear. Stick with the inefficiencies of outdated systems or step up with a solution that empowers you to work smarter, not harder. Modulr is here to help you transform your practice and take the next step.

[Book a demo](#)

About the report

We have surveyed 250 senior leaders within UK accounting and bookkeeping firms. Businesses have been grouped by size: Small (1-99 employees), Medium (100-249 employees) and Large (250+ employees).

Company Size



Job Title

