

# Perceptions of Tax Firms

Client Perception Programme



# Our values and integrity

Our purpose is to help you grow your business. We aim to provide you with the best data and analysis to help you make the right decisions for your firm.

To that end, Source Global Research is completely independent of any professional services firm we work with or comment on. The views about each firm expressed in this report come from senior end-users of professional services—your clients and prospects, in other words. All analysis is our own—as experts in interpreting client data, our aim is to help you make sense of it and bring the important messages to your attention quickly.

It is not possible to influence our rankings either by subscribing to our research or by paying us money—it never has been, and it never will be.

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# How to use this Client Perception Study

It's very important to be clear about what our Client Perception Studies are, and are not:

What they're not are exhaustive studies of clients' opinions about specific firms that remain statistically robust when filtered to provide detailed data about views at a very granular level of the market. So if, for instance, you want statistically robust data about what clients in the pharma & biotech sector think about PwC's transfer pricing capabilities, you won't find it in these reports. We do profile individual firms in our reports to the extent we can, but our Client Perception Studies are not designed to replace the sort of in-depth client research that many firms carry out (and which they often ask us to carry out for them).

What they are designed to do is provide a snapshot of views within the tax advisory market at a point in time. What they lack in detail about individual firms they make up for in three important ways:

- **A multi-firm view.** Our reports enable tax advisory firms to see how they stack up against their competitors in the minds of clients.
- **A view from prospects,** not just existing clients. We include the views of people who aren't current active clients of the firm they're telling us about, enabling us to understand what we tend to think of as a firm's brand pipeline, and to compare the views of prospective and active clients. In doing this, we're able to assess the extent to which clients' expectations of a firm are met in reality, and how well a firm's marketing and delivery capabilities are aligned.
- **Independence and expertise.** The trouble with conducting your own client research is that clients are often reluctant to express negative views about firms (and people) with whom they've worked closely. They have no such concerns when they're telling us. Added to which, we're able to bring the expertise we've gained over years of analysing the professional services market to bear, helping to interpret the results within the context of the wider market and the strategic priorities of tax advisory firms.

It's important to remember that this is a study of client perceptions: a summarised view of what we're hearing from the market. It's not Source's view, nor is it a comment on market share or a recommendation to clients about which firms to buy from. The audience of these reports is very much the firms featured in them, and those interested in the strength of the competition in any given market.

# Methodology

## *Who did we talk to?*

We have 306 responses from our survey of executives, directors, and senior managers in the US in April and May 2019, all of whom have been responsible for buying substantial volumes of tax advisory services in the previous two years. They represent a wide range of sectors and all work in organisations with more than 1,000 employees.

For more information about the people we surveyed, please see the extended methodology section at the back of this report.

## *The difference between direct clients and prospects*

We talk about two types of clients in this report: direct clients and prospects.

Direct clients are clients who have bought services from a firm on a reasonably regular basis. They're current clients or ones with an ongoing relationship with a firm.

Prospects are clients who feel qualified to share an opinion about a firm but who aren't among the firm's direct clients. They may have had exposure to the work the firm has done elsewhere in their organisation or may have simply formed an impression based on reading a firm's thought leadership or being exposed to its marketing in some other form. In this research, we segment this group into those that are simply aware of a firm, and those that have shortlisted a firm but decided not to proceed with that firm.

The differences between the opinions of these two types of clients tell us a lot about the differences between expectation (prospects) and reality (direct clients). But they also tell us something about the differences between a firm's marketing and what it actually delivers.

# Discover more online

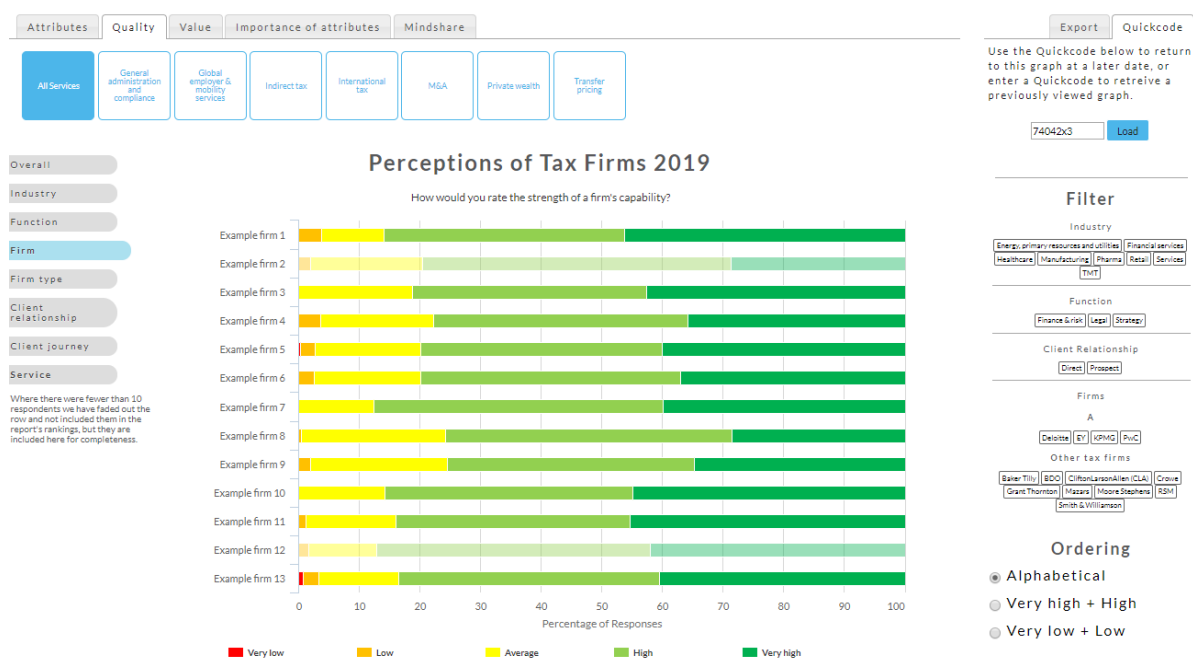
The data contained and referred to within this report is also available online, where it can be sorted and filtered according to your preferences. In fact, some of the charts contained in the report link directly through to the online database. Note that wherever you see a Quickcode next to the title of a chart, that code can be entered into the search function of the database to reproduce exactly the same chart.

## How to access the data

To access the data, you can either go to the page where you downloaded this report and click on the 'Explore the underlying data' button. Alternatively, you can visit our website here and log in using the same credentials you use to download the report.

## What can I do with the data?

From here, you will be able to filter all the data in this report on each of the key areas: mindshare, quality, value, attributes, and importance of attributes.



When you log on, you'll notice that in some areas there's data that's in a faded grey colour. This is where we have data, but it's not a big enough sample to include in a ranking in this report. Nonetheless, we share it online in case you do want to see what, for example, prospects in legal functions in the financial services sector (or a similarly complex split) think of a particular firm. If you have any questions about any of the data, please [contact us here](#).

# What clients are telling us

## Why client perceptions matter

Why should you care about your brand as a tax advisory firm? The global tax market grew 8.2% from 2017 to 2018, and increasing complexity in regulation, multinational footprints, and scrutiny of tax arrangements mean it's a service that'll remain in demand, right? If clients are buying anyway, does brand really matter? Our first Client Perception Study for the tax advisory market, based on a survey of senior end-users of tax advisory services in the US, says that it does. When asked what's most important about working with a tax advisory firm, clients say brand and reputation is the second most important factor. Your brand, therefore, can be a multiplier of your growth in the future, or a factor that reduces it.

Our research comes at a time of increasing complexity in the global tax landscape and rising scrutiny of the industry. With major scandals like the Panama Papers making global headlines and various celebrities having their tax arrangements exposed, some firms stand accused of using "complexity" as a cover for "crooked". Fairly or unfairly, the image of the tax advisor routing money through shell companies in sunny offshore territories has captured the public imagination, and journalists are not shy to ask difficult questions of the world's leading tax advisory firms. In a world of ever-greater scrutiny, brand and reputation becomes even more important. Clients will want to avoid being tainted by association if a firm's image is damaged by involvement in some controversy.

And it's not just firms feeling the heat: Clients themselves are increasingly coming under fire. Big technology has perhaps felt the wrath of the media more than most of late: Accused of not paying their fair share (and with large swathes of the public agreeing), tax authorities are thinking of new ways to tax multinational technology firms that don't have a large physical presence. France, for example, is trying to levy a 3% sales tax on large digital companies. There's also a convergence of risk and tax due to high-profile tax avoidance cases. Clients want to avoid, and manage the risk of, reputational damage from getting their tax management wrong, both from a legal standpoint and from a broader ethical point of view.

Added to all that, tax advisory is also not immune from the increased digitisation seen in the wider economy, and clients have an increasing desire for automation and use of technology in the tax process. Firms therefore need to ensure that clients know they're moving with the times and that their brand associations evolve alongside the work itself.

In such a changing market, there is strong potential for growth and a big opportunity for firms to win new work if their proposition and brand is right. Of course, this opportunity comes hand in hand with the risk that what worked well for firms in the past may not be what clients continue to demand from them in the future. Our client perceptions survey allows us to see what clients think of firms, how firms compare to one another, and the importance clients place on different aspects of working with tax advisors.