



# Maximizing Revenue Opportunities

A Strategic Framework  
for Tax Preparers

In today's rapidly evolving business environment, tax preparers face mounting pressure to differentiate themselves, increase operational efficiency, and create new revenue streams. Success hinges on identifying innovative ways to grow revenue while staying competitive in a crowded marketplace.

This white paper provides a comprehensive roadmap for tax preparers to maximize revenue opportunities by:

**1**

Winning more work  
through the strategic use  
of technology

**2**

Uncovering hidden revenue  
through standardized  
billing practices

**3**

Expanding revenue streams  
by offering value-added  
consulting services

**4**

Repurposing compliance hours  
to focus on higher-value,  
client-centric initiatives

With actionable strategies and real-world examples, this guide equips tax preparers with the tools they need to drive sustainable growth while delivering exceptional value to their clients.

# Winning More Work by Differentiating Services Through Technology

Technology is the cornerstone of differentiation in the modern service landscape. Your clients are no longer satisfied with traditional, manual approaches to service delivery; they demand faster, more accurate, and tailored solutions. Service providers that effectively leverage technology, particularly artificial intelligence, can not only meet these tough expectations but also position themselves as thought leaders in their fields.

## KEY BENEFITS OF LEVERAGING TECHNOLOGY

<b>EFFICIENCY</b>	Automation reduces the time required for routine tasks, enabling professionals to focus on high-value activities.
<b>ACCURACY</b>	Advanced tools minimize errors, ensuring higher-quality deliverables.
<b>CLIENT EXPERIENCE</b>	Technology enhances transparency and communication, resulting in improved client satisfaction and retention.
<b>COMPETITIVE ADVANTAGE</b>	Early adopters of technology stand out or even stand alone in crowded markets.

## PRACTICAL APPLICATIONS OF AI FOR TAX PREPARERS

Artificial Intelligence (AI) is revolutionizing countless industries. Tax preparation is no exception. Tax preparers who leverage AI now handle complex tasks with greater efficiency and accuracy, enabling them to focus more of their time on strategic aspects of their work. Here are some practical applications of AI in tax preparation:

### 1. AUTOMATED DATA ENTRY & DOCUMENT ANALYSIS

AI-powered tools can automate the extraction and categorization of data from tax-related documents, such as W-2s, 1099s, and even Schedules K-1. Replacing Optical Character Recognition (OCR) technology, AI does a more effective job in extracting complex K-1 data and structuring it for streamlined

aggregation and analysis. This AI-powered tooling is essential for tax preparers in a very compressed timeline from receipt of information to delivering and filing the investors' tax returns. Eliminating the tedious data-entry responsibilities helps tax preparers focus on analysis and identifying the risks or tax-savings opportunities—**a win-win for themselves and their clients.**

## 2. TAX CODE RESEARCH & COMPLIANCE

Tax laws and regulations are complex and frequently updated. Leading AI systems analyze vast amounts of tax code information and provide real-time insights, ensuring compliance with the latest regulations. By using AI, tax preparers quickly identify deductions, credits, or new rules that apply to a client's unique situation, **reducing the risk of errors or missed opportunities.**

## 3. PREDICTIVE ANALYTICS FOR TAX PLANNING

AI can analyze historical tax data to predict future trends and liabilities. For instance, machine learning algorithms help tax preparers identify patterns in a client's financial history and suggest tailored tax planning strategies. This proactive approach helps clients make informed decisions to minimize their tax burden.

## 4. FRAUD DETECTION & RISK ASSESSMENT

AI systems are adept at detecting anomalies in data. For tax preparers, this means identifying potential red flags, such as inconsistencies in reported income or suspicious expense claims. **These tools can help mitigate risks by flagging issues before tax returns are submitted,** ensuring compliance and avoiding audits.

## 5. PERSONALIZED CLIENT INTERACTIONS

Chatbots and AI-driven virtual assistants can provide 24/7 support for clients, answering common tax-related questions and guiding them through basic processes. This enhances

**24/7**  
**SUPPORT**  
**FOR CLIENTS**

the client experience while freeing up tax professionals to handle more complex inquiries.

## 6. WORKFLOW OPTIMIZATION

AI streamlines the tax preparation workflow by automating routine tasks, such as scheduling appointments, sending reminders, and tracking deadlines. This improves productivity and helps tax preparers manage their time more effectively.

**By integrating AI into their practices, tax preparers improve their accuracy, reduce manual workloads, and deliver value-added services, positioning themselves as forward-thinking advisors in an increasingly digital landscape.**






## A NOTE ABOUT AI & DATA PRIVACY/USE OF DATA

According to K1x Labs, the use of artificial intelligence (AI) in tax preparation has significantly improved efficiency and accuracy ten-fold, enabling firms to automate processes, analyze data patterns, and provide enhanced advisory services. However, the integration of AI raises critical concerns about data privacy and compliance with regulatory frameworks, particularly IRC Section 7216, which governs the disclosure and use of taxpayer information by tax preparers.


It is important that firms safeguard their client's data and educate their tax teams against leveraging public tools – like ChatGPT – to disclose client private data.



Four stylized dollar bill icons are scattered across the top half of the page, each with a blue outline and a white center containing a dollar sign. They are positioned at various angles and locations, including the top left, top center, top right, and middle right.

# Finding More Revenue by Standardizing Your Billing Practices

Billing is a critical but often overlooked area for revenue optimization. Inconsistent billing practices can lead to revenue leakage, strained client relationships, and operational inefficiencies. Standardizing billing not only ensures accurate and timely revenue capture but also enhances client trust and transparency.

A single stylized dollar bill icon is located on the right side of the page, below the main text block. It has a blue outline and a white center with a dollar sign.

## THE IMPACT OF BILLING STANDARDIZATION

<b>REVENUE GROWTH</b>	Accurate and consistent billing reduces missed opportunities for revenue collection.
<b>IMPROVED CASH FLOW</b>	Faster and more reliable invoicing accelerates payment cycles.
<b>CLIENT SATISFACTION</b>	Transparent billing fosters trust and reduces disputes.
<b>STAFF RETENTION</b>	Staff is encouraged to add more value to client engagements and see the direct benefits of additional billings for their contributions.

## STEPS TO STANDARDIZE BILLING PRACTICES

# 1

### Establish Firmwide Fee Structures

Create detailed project-level fee structures for personnel to follow rather than high-level or bespoke arrangements per client

**FOR EXAMPLE:** If your firm is retained to prepare a client's tax return and this client is heavily invested in alternative investments, be sure to break out the specifics of the engagement. How many Schedules K-1 are to be reviewed? How many additional states are required or analysis to be performed to make state decisions? How many international disclosures are required? Be careful not to lump all of this additional work into a standard fee for the federal tax return.



# 2

## Implement Transparent Fee Structures

Clearly communicate billing policies, hourly rates, project rates and additional charges to clients at the outset. Often, the exact filing requirements are unknown until the client engagement is complete and delivered. **Be sure to allow for additional billings should the original scope change.**

Create engagement letter templates for your staff to ensure consistency in practices from scoping the original engagement through the final billing process.

# 3

## Streamline Invoicing Processes

Create standardized invoice templates that include detailed descriptions of services rendered.

Add support for billing to ensure consistency across the firm while also allowing the **engagement teams to focus on revenue-generating activities.**

# 4

## Establish the Firmwide View

Leverage APIs and other connectivity with your billing software, in particular your tax preparation software, to ensure the deliverables match the billings.

To ensure compliance with billing practices, create reporting that synchronizes various systems and provides an overview of risks/opportunities.

# Adding Revenue by Providing Clients with Value-Add Consulting

Clients increasingly seek more than just transactional services—they value strategic guidance that helps them achieve their goals. Expanding into value-added consulting services helps service providers to deepen client relationships, command premium pricing, and unlock new revenue streams.

## THE IMPORTANCE OF VALUE-ADDED SERVICES

- DIFFERENTIATION** — Offering advisory services sets firms apart from competitors focused solely on compliance or transactional work.
- CLIENT RETENTION** — Providing high-impact consulting fosters loyalty and long-term partnerships.
- REVENUE DIVERSIFICATION** — Advisory services often carry higher margins than traditional offerings.

### EXAMPLES OF VALUE-ADD CONSULTING SERVICES

# 1

## Strategic Tax Planning

Help clients identify opportunities for tax savings and future planning.

For clients heavily invested in alternative investments, there are significant risks and opportunities to be considered. From a risks standpoint – compliance with federal, state and international filings requirements is critical but can get unwieldy given the amount of data and time compression. From an opportunities standpoint – there are also value-adds that should be standard across these engagements such as NOL preservation, basis tracking and foreign tax credit analysis.

# 2

## Operational Efficiency Consulting

Assist businesses in streamlining processes to reduce costs and improve productivity. Your clients may benefit from transformational consulting in addition to your tax planning expertise. Suggestions on how to streamline their data collection, data synchronization across their systems and/or centralizing their financial records might provide significant operational efficiencies for your client. And stickiness for your services.

Assistance with automating processes, leveraging tax checklists, conducting regular reconciliations and evaluating tax strategies throughout the year are also ideas towards a high-performing internal tax department.

# 3

## Risk Management & Compliance Advisory

Provide insights on regulatory compliance and risk mitigation. This requires not only a masterful knowledge of tax law, but also understanding of industry-specific risks.

Identify tax compliance risks through an audit-readiness program seeking red-flag items, payroll compliance issues and/or a sales tax and nexus review.

As a standard course of practice, consider internal controls recommendations, record-keeping best practices or penalty prevention tactics.

# 4

## Industry-Specific Expertise

Industry-specific expertise is vital for tax preparers because different industries face unique tax laws, regulations, and compliance requirements. Having specialized knowledge allows tax preparers to provide tailored solutions, uncover valuable opportunities, and minimize risks for clients.

Tax credits and strategies vary widely across industries based on cash flow patterns, revenue models and asset management. Effective tax preparers understand the industries their clients represent.

Tax preparers with specialized expertise distinguish themselves in a competitive market. Clients are more likely to hire someone who understands the intricacies of their industry over a generalist. This can also justify premium pricing for services.

Industry-specific expertise empowers tax preparers to deliver accurate, efficient, and proactive solutions tailored to their clients' unique challenges. It minimizes risks, maximizes opportunities, and solidifies the preparer's role as an indispensable partner in the client's success.



**It's a cliché, but it's true. Now we spend more time on value added work versus manually inputting data especially with state activities captured automatically. We expect even more efficiencies in year two. Powerful K1 Aggregator<sup>®</sup> technology helped us achieve a drastic reduction in hours.**

**ZACH ANDERSON**

Partner, Tax - Financial Services Weaver

## STRATEGIES TO TRANSITION INTO VALUE-ADDED CONSULTING

- **UPSKILLING TEAMS:** Train staff in areas such as data analytics, risk management, and industry-specific expertise.
- **BUNDLING SERVICES:** Offer consulting as part of a package with traditional compliance services.
- **PROACTIVE CLIENT ENGAGEMENT:** Regularly communicate with clients to identify opportunities where advisory services can add value.



# Investing More by Repurposing Compliance Hours

Compliance work, while essential, often involves repetitive tasks with limited revenue potential. By automating these processes and repurposing the freed-up hours, firms can focus on higher-value activities like consulting, business development, or innovation.

## THE CHALLENGE WITH COMPLIANCE-HEAVY MODELS

- LOW MARGINS** — Compliance work typically involves high effort for relatively low revenue.
- LIMITED SCALABILITY** — Compliance tasks are often labor-intensive, constraining growth.

## CHECKLIST FOR REPURPOSING COMPLIANCE HOURS FOR GREATER IMPACT

# 1

### Automate Routine Compliance Tasks

Assess your current workflow to identify specific bottlenecks or areas of the tax process that are low-value but take a significant amount of time.

Create standardized processes firmwide that leverages AI and other technologies to eliminate data-entry.

#### INTEGRATE TOOLS

So much time is rekeying data and then checking/rechecking data now in a new system. Deploy technologies that have robust API capabilities to streamline dataflow.

# 2

### Reskill & Redeploy Staff

Focus attention on hiring professionals that already have or train existing staff on the necessary skills of the future:

- **TECHNOLOGY PROFICIENCY:** Tools like RPA, use of AI and data and other tax software.
- Introduce them to AI/ML tools for tax forecasting and error detection.

# 2

Cont.

- **DATA ANALYTICS:** Develop their ability to analyze tax data, identify trends, and leverage visualization tools like Power BI or Tableau.
- **STRATEGIC THINKING:** Teach skills for interpreting tax policies, optimizing tax strategies, and consulting on broader financial decisions.
- **DIGITAL TRANSFORMATION KNOWLEDGE:** Help them understand how tax compliance fits into broader digital transformation efforts within the organization.
- **SOFT SKILLS:** Strengthen communication, problem-solving, and adaptability to better support advisory roles.

# 3

Expand Service Offerings

The rise of automation, AI, and digital transformation in tax compliance is reshaping the role of tax preparers. Beyond preparing tax returns, tax professionals are increasingly sought after for roles that emphasize strategy, analysis, technology, and advisory functions. Here are some of the new, in-demand offerings for tax preparers:

- **TAX TECHNOLOGIST:** Tax preparers skilled in technology can bridge the gap between tax compliance and technology teams, implementing and managing automation, data analytics, and compliance tools like Power BI or Tableau.

# 3

Cont.

- **TAX DATA ANALYSIS:**  
Leveraging data to uncover trends, risks, and opportunities within a company's tax operations.
- **TAX PROCESS IMPROVEMENT:**  
Design and optimize tax workflows to improve efficiency and compliance.
- **AI-DRIVEN TAX STRATEGIST:**  
Implementing AI-driven systems to automate complex tax calculations and analyzing large datasets for insights into tax savings opportunities.

# 4

**Invest in Innovation  
& Growth**

To fuel innovation and growth, tax practitioners need to focus on areas that leverage technology, data, and strategic thinking, while expanding their value beyond traditional compliance roles. Here's where tax practitioners should spend time:

- Learning how to best leverage existing technologies (AI, Cloud, Blockchain) to automate workflows
- **BUILD DATA ANALYTICS SKILLS:** Analyze trends, forecast risks, insights and visualization.
- **EXPAND TAX ADVISORY SERVICES:** Strategic focus areas – M&A, ESG, international tax
- Specialize in emerging trends such as digital economy taxation and ESG incentives

**EXAMPLE:** Repurposing 5 hours of data entry time into a value-add client deliverable

Average Data Entry Time for 5 K-1s @ 1 hour/K-1	5 HOURS	
Per K-1 Extraction/Analysis Fee @ \$200/K-1	\$1,000	
K1x can extract K-1 data in ~ 30 seconds/K-1	2.5 MINS	
<b>SUBTOTAL</b>		<b>\$1,000</b>
Investing 5 hours to prepare an after-tax ROI analysis for client portfolio	5 HRS	
Analysis Fee (value-billing)		\$5,000
<b>SUBTOTAL</b>		<b>\$5,000</b>
<b>TOTAL OPPORTUNITY</b>		<b>\$6,000</b>
<b>RATE/HOUR</b>		<b>\$1,200/HR</b>



**With K1x, it's click, click, and I'm done!  
The software allows me to ensure everything is correct before importing into my tax prep software and does so in record time. Accuracy AND efficiency!**

**OLAF TEITELL**  
CPA at Gursey

# Conclusion

Creating more revenue opportunities requires a strategic blend of innovation, operational optimization, and client-centricity. By service providers unlock game-changing revenue potential while delivering superior outcomes for their clients.

**DIFFERENTIATING SERVICES  
WITH TECHNOLOGY**

**EXPANDING INTO  
VALUE-ADDED CONSULTING**

**STANDARDIZING BILLING  
PRACTICES FOR EFFICIENCY &  
TRANSPARENCY**

**REPURPOSING COMPLIANCE  
HOURS FOR GROWTH-FOCUSED  
ACTIVITIES**



# Next Steps

- 1. ASSESS CURRENT OPERATIONS:** Identify areas where technology, billing, or service offerings can be improved.
- 2. INVEST IN TECHNOLOGY AND TRAINING:** Equip your team with the tools and skills needed to drive innovation.
- 3. ENGAGE CLIENTS PROACTIVELY:** Understand their evolving needs to tailor services that add value.
- 4. MONITOR AND REFINE STRATEGIES:** Continuously evaluate the effectiveness of new initiatives and adapt as needed.

By implementing these strategies, service providers can position themselves for long-term success in an increasingly competitive market.

## ADDITIONAL RESOURCES

[K1x Accounting Firm resource page](#)

[Accounting Firm Software for Alternative Investments 1 pager PDF](#)

[K-1 Automation video demo](#)

[990 Automation video demo](#)

[K1 Aggregator™ product page](#)

[K1 Creator™ product page](#)

[990 Tracker™ product page](#)

[AI at K1x White Paper](#)

[AI at K1x video](#)

[Tax Transformation Best Practices, white paper by Geralyn Hurd, CPA, patent holder, and President & co-founder of K1x](#)

# About the Author



**In 2009, GERALYN HURD was honored with the ICPAS Woman to Watch Award and she's been a woman to watch ever since.**

With 35 years (32 in public accounting), GERALYN didn't follow the traditional path followed by most CPAs. Rather GERALYN focused on transforming the industry by developing unique technology solutions – first as Tax Transformation and Technology Leader of her firm and now as President & Co-Founder of K1x, Inc.

GERALYN has multiple patents and patent applications published in her name both for tax preparation software for tax exempts, AI-powered K-1 extraction technologies, a digital K-1 and K-1 Exchange. She advanced to key senior leadership roles at her firm but even more rare, carved out a technology business

from her firm and created an independent technology start-up. Today, software co-developed by GERALYN is being used by most of the largest accounting firms in the country.

GERALYN has had many leadership roles within the CPA profession and served on Illinois and AICPA committees, IRS Technical Resource Panels and the Illinois CPA Society Board of Directors. As a thought leader, inventor and entrepreneur, GERALYN has been a role model and mentor to hundreds of people in the profession.

---

**Discover how to take the next step in your K-1 process maturity**

**VISIT US**

# About K1x, Inc.

**K1x is the leading data distribution platform for alternative investment tax compliance as well as the industry standard, IRS-certified solution for seamless tax-exempt filings**

The fintech company's patented, AI-powered SaaS solution digitizes and distributes tax data seamlessly—connecting investors, accounting firms, tax software, IRS and state taxing authorities—simplifying complex processes, accelerating filings, reducing costs, and delivering greater control and accessibility. K1x is battle-

tested by the best, and trusted by more than 8000 organizations including 44 of 100 largest institutional investors in the US, 20 of the top 25 accounting firms, 11 of the top 100 private foundations, 45 of the top 100 university endowments, and 7 of the top 40 health systems.



Visit us at [K1x.io](https://k1x.io) and follow us on LinkedIn.

[K1X.IO](https://k1x.io)

[LINKEDIN](#)