

Services 2024 top issues

Transcript

NARRATOR: Welcome to the Industry Podcast series, where Grant Thornton shares information through an industry specific lens about the most important business issues of the day.

FREDERICK KOHM:

In professional Services, 2024 will be an important year for deciding how your business will grow and innovate to position itself for future success. I'm Fred Kohm, National Managing Partner for the Professional Services Industry at Grant Thornton, and here are the topics that should be top of mind among leaders in the industry in 2024.

From a compliance perspective, there are many tax issues that I know our professionals are assisting our clients in the services industry with today, including things like state and local tax compliance, and dealing with federal tax issues.

Also, many of our clients in the middle market are growing and expanding into international regions, and that creates its own issues from a compliance standpoint. Many professional services firms may have a compliance program when they think about themselves and, say, regulators that they may need to deal with. But, many times, leaders in the professional services industry need to think about their clients' compliance programs, and what their clients are asking of them from a compliance program perspective. So, for instance, regulatory risks, environmental risks, cybersecurity risks around data, all of those things are important to a professional services firm because it's important to their clients.

From a data protection position, they need to be thinking about having a provider that is going to help them, and provide them with advice around any SaaS products that they may be providing to market. And, with those needs, SOC 1 and SOC 2 reporting are in demand.

From an audit perspective, leaders in the professional services industry should be thinking about what they are receiving from their auditors, and how they can improve that service delivery — so, for instance, audit innovation and making sure that they're ahead of pronouncements.

From a transaction standpoint, making sure that you're positioning your firm so that in the event of an opportunity for a transaction, you are ready to move. Although the cost of capital

and the cost of equity has increased over the past year, there is still demand in professional services firms.

From a technology standpoint, in 2024, leaders really should be thinking about technology modernization, because tech modernization does a couple of things for an organization. One, it makes your organization a better place for employees to work. You may actually be able to reduce mundane tasks, make them more efficient, perhaps automate. It also provides an opportunity for cost savings, which is something that every organization is looking for when the cost of debt is what it is today.

And then lastly, from a controls and governance standpoint, leaders should really be thinking about protecting their organizations from cyberattacks — how to best protect their organization from those types of risks. If they do that, they'll be better positioned from a governance standpoint in dealing with their regulators, but also better position themselves for growth, because they'll have a better opportunity to serve their clients without some sort of disruption.

NARRATOR: Thanks for listening. Find out how Grant Thornton goes beyond expectations at [gt.com](https://www.gt.com).