



CASE STUDY

Successfully scaling your tax and accounting firm

The journey of a tax and accounting firm often begins with the singular vision of a technical expert: The pro who excels at tax and accounting, and decides to venture out on their own. In the early stages, growth feels natural, and in many ways, it can be exhilarating. However, as the firm reaches a certain size, the technical expertise that built the firm begins to act as a ceiling. Often referred to as the “scaling plateau,” this activity typically occurs when a firm employs between eight and 20 people.

How can you scale your firm to make it dynamic and profitable for the long term?

Ensuring Success 2025, a two-day online event featuring panels with speakers discussing tax, accounting, and advisory services, featured a session, “It’s Time to Grow: Techniques for Successfully Scaling Your Accounting Firm,” with three experts on the topic:



Aaron Berson, CPA, CEO and founder, [Fringe Advisory Co](#)



Jason Blumer, CPA, CEO, [Blumer & Associates, CPAs](#)



Ian Vacin, co-founder and chief partnerships officer, [Karbon](#)

While trying to scale, firms encounter a unique set of financial and organizational hurdles. The transition from a small team that feels like a family to a larger organization requires a fundamental shift in leadership mindset.

“Scaling has a lot to do with what we call expansion,” said Jason Blumer. “If a firm stays still, it doesn’t grow. When you’re adding more people generating more revenue, you will create a lot of complexity.”

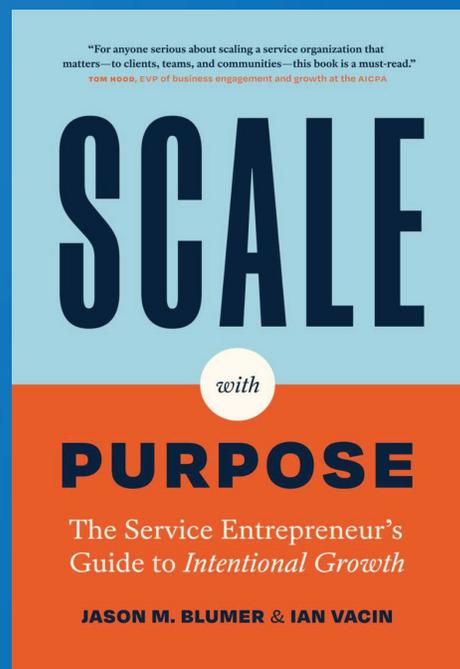
This case study examines how to scale intentionally and how to transition from a technical practitioner to a business leader.

Scale with Purpose: The Service Entrepreneur’s Guide to Intentional Growth

By Jason Blumer and Ian Vacin

Learn how to maximize a company’s profitability through your firm’s greatest asset, human capital. Jason Blumer and Ian Vacin have each spent more than 25 years talking, listening, observing, advising, consulting, and mentoring knowledge-based service firm owners. In “Scale with Purpose,” Blumer and Vacin present the lessons that they’ve learned—and the ones tax and accounting pros need to learn.

“Scale with Purpose” is available on [Amazon](#).



The leadership mindset matrix

Success in scaling is not only a matter of hiring more staff or signing more clients; it begins with the internal reflection of the founder or the person in charge.

Research into the profession identified distinct leadership profiles that dictate how a firm handles growth. Ian Vacin explains that over years of study, specific patterns emerged.

“Scaling a firm and making sure its operations are solid is all about capacity planning, and it really starts from you as a leader,” said Vacin. “Over the course of the last 12 to 15 years, we were able to identify three primary types of leaders, along with a fourth subtype called “overwhelmed,” that represents a critical danger zone for firms attempting to scale.”

The four primary leadership types

Leadership type	Characteristics
Satisfied	Often a single-person or simple firm; high satisfaction with current state; lower focus on aggressive growth.
Calculated	High satisfaction combined with medium to high growth; growth is measured and predictable.
Entrepreneurial	High expectations for the future; driven by a desire for significant impact and expansion.
Overwhelmed	A subtype of entrepreneurship where expectations are offset by reality; high stress, and lack of control.

Vacin said the “overwhelmed” state is the primary barrier to breaking past 20 employees.

“If you’re an entrepreneurial leader, and you want to scale and grow a firm, you ultimately cannot grow a firm larger if you’re overwhelmed. It just does not work.”

The non-linear reality of growth

One of the most significant misconceptions in the tax and accounting profession is that growth is a straight line upward. However, in reality, scaling often involves taking steps backward to strengthen the firm's foundation. Data suggests that 95% of firms do not grow linearly through the eight to 20 employee range. Instead, they struggle and often intentionally downsize to fix broken processes before moving forward again.

Aaron Berson, who has experienced this ebb and flow firsthand, reflected on the psychological toll of this journey.

"You can go through phases of being more entrepreneurial and calculated, but for me, I fall back to being an entrepreneur and dreaming big."

Berson's experience highlights the necessity of right-sizing. His firm grew rapidly from two to 10 people in just 18 months, only to realize the structure was buckling under the weight.

To regain control, Berson intentionally scaled back down to five people to retool his processes before growing back to eight, a strategy echoed by Blumer, who insists that scaling is a learned skill.

"Scaling is actually a skill you have to learn," said Blumer. "When you hit five to eight team members, it gets hard, because that's when you get a lot less profitable. You have to right size some of your structure to be able to take in more revenue."

Managing the human element

In a service-based organization such as a tax and accounting firm, people are the primary "inventory." Unlike a manufacturing plant where machines produce products at a predictable rate, a service firm relies on the cognitive output and emotional well-being of its staff. This makes capacity planning incredibly complex.

"The human element is so difficult and so complicated," said Vacin. "Humans aren't machines. They have good days and they have bad days, but how you deal with the chaos is key."

As firms grow, the founder's span of control is stretched. One person can only effectively lead a certain number of individuals before the quality of communication and mentorship drops. This

necessitates the hire of non-revenue-generating staff such as managers and operations personnel, which creates a temporary dip in profitability.

“When you get eight to 10 people is when you start to have to invest in a non-revenue generating person who is also a non-capacity person,” said Blumer. “So now you have a cost of a person who does not produce revenue. This is when your firm can really go off the rails.”

Intentionality and firm purpose

Why scale at all? For some, the answer is a desire for impact, Others see it as the pursuit of a specific lifestyle or creating a firm of their dreams. However, successful scaling requires intentional growth, where decisions are made based on the firm’s core values rather than just chasing the next dollar of revenue.

For Berson, the motivation is rooted in the passion for the profession.

“I genuinely love what I do; I wake up every morning and I’m excited to do more of what I do,” he said. “Part of my drive is I want to make as many fulfilling careers for other people in the profession as I can because I love what I do.”

Maintaining this passion requires the courage to make difficult decisions, such as firing clients who drain the team’s energy.

“If the team is waking up saying, ‘I don’t want to deal with this client,’ that client is no longer a client. It’s no sweat, because the team is doing the work. At the end of the day, we don’t sell widgets; we sell access to people, so we need teams that are happy.”

The role of technology and AI

While people are the heart of the firm, technology serves as the essential support. Modern practice management tools and artificial intelligence (AI) do not replace human experts, but they do augment their capacity. By automating routine tasks, AI allows staff to focus on higher-value advisory work, which can improve the revenue per FTE (full-time equivalent) metric.

Aaron Berson sees AI as a way to mitigate the fear of the profitability dip.

“You can actually influence the capacity of one FTE,” he said. “That revenue number is not fixed, so you can leverage AI to make them more efficient where they can take on more top-line revenue. This makes budgeting a little bit easier and less scary.”

Jason Blumer adds that while tools are powerful, they are not a cure-all for organizational issues.

“AI’s never going to take our team away, but it is going to fundamentally change how we do our work,” he said. “Software such as Karbon is an amazing tool, but even I agree that software doesn’t change organizations or people. Instead, using technology should help you become more efficient.”

Financial planning and enterprise value

Scaling also changes how a firm is valued. Enterprise value is often dictated by the makeup of a firm—departmental structures that allow the business to function independently of the CEO or founder.

“Enterprise value is dictated by many different factors, but it is also creating fully productive pods,” said Vacin. “You have to fully load those with the staff and have to drive the revenue to support it in order to get to that optimal set of values.”

Understanding these numbers is the first step toward successful management.

“There are far too many firm owners, especially at larger firms, who don’t even know what their revenue per FTE is. Once you understand your cost, you can scale more successfully.”

Berson also advocates for a cushion in capacity planning to account for the unpredictability of human life.

“We plan for everyone to be at 80% capacity 100% of the time. When someone has a bad day, they are not going to be working 100%; that’s just human nature.”

The journey to the future

Scaling a firm is a journey of transformation. It requires the founder to step out of the comfort zone of technical work and into the challenging, often messy world of leadership and business management. It involves “war stories,” as Jason Blumer calls them, including the pain of losing key staff or the stress of financial fluctuations.

“You can’t do this alone,” he said. “When you realize that, you’re going to learn so much about yourself as an entrepreneur and about your team. You’re going to carry them through hard things and you will bond based on your actions.”

By focusing on intentional growth, understanding the metrics of capacity, and leaning into the human element of the business, tax and accounting pros can navigate the employee plateau and build an organization that truly serves their purpose.

“Scaling with purpose provides you the blueprint to understand why you are going through these particular changes,” said Vacin. “In the future, you’ll have more predictability and success as you decide to go after whatever your dream is going to be for the firm.”



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