



Accounting and Financial Management - UK - February 2021

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This report looks at the following areas:

- The impact of COVID-19 on the accounting and financial management sector
- The impact of legislative and regulatory changes on the market
- How competitors are adapting their business models to the evolving shape of the accounting industry
- The performance of key industry players
- Five-year market outlook

In 2020, the accounting and financial management market value declined by an estimated 9% to £25.5 billion. This largely reflects the impact of COVID-19 on business activity and the wider economy.

COVID-19 has exerted downward pressure on all service lines. The corporate finance and business recovery sector was particularly hard hit by the crisis. Government measures put in place to help keep businesses afloat have reduced demand for business recovery services, while the corporate finance sector was hit by stalled M&A activity. However, activity is set to pick up in 2021, reflecting a resurgence in the M&A market and a pickup in demand for insolvency and restructuring services as the pandemic's economic impact takes its toll.

An increasing number of law firms are branching out into consultancy services, posing competition to accountancy firms. While large accountancy firms are at the forefront of developing an integrated services model, legal services firms are starting to follow suit as they respond to increased client demand for integrated solutions.

COVID-19 has accelerated the digital transformation of business, with the continued growth in digital technology offering strong growth opportunities for consultancy services. Data analytics, cybersecurity, risk and regulatory consultancy are also playing an increasingly important role in consultancy, with



"Accountants have emerged as valuable and trusted advisors to their clients during the COVID-19 crisis, with many companies relying on their accountants for advice on navigating the complexities of government support schemes and cash flow advice to help them stay afloat. While accountants have inevitably been giving their clients free business advice to help them during the crisis, the closer and trusted relationships

established over the last year
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 offer opportunities to provide
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on专门ised advisory services

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 clients going forward".

Claudia Preedy, Senior B2B

Analyst Americas +1 (312) 943 5250

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many accounting firms strengthening their capabilities in these areas through strategic alliances or acquisitions.



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