

EXECUTIVE BRIEF

# Why Document Management Is Now a **Competitive Advantage** in Accounting

How leading accounting firms eliminate operational friction  
to gain a performance advantage

## THE EXECUTIVE LENS

### A Business Risk Hiding in Plain Sight

Accounting firms have invested heavily in practice growth, client relationships, and service delivery. But a critical gap remains. The way firms manage the documents and information that run their engagements has not kept pace with the scale and complexity of modern practice. What was once considered an IT issue has become a business problem.

That problem is **operational friction**. It is the systemic drag created when client documents, engagement files, and compliance records lack context, are disconnected from workflows, and are scattered across systems. It reduces utilization, increases risk, and limits the value of every other investment. As firms grow, so does the impact.

#### Three converging pressures are making this a leadership-level issue



##### **Regulatory intensity is increasing**

SOX, ISO 27001/22301, client confidentiality obligations, and independence requirements are tightening. Auditors and regulators increasingly expect instant, traceable access to current, approved documents.



##### **Digital transformation asymmetry**

Investment in client-facing systems and practice management has outpaced information infrastructure. The volume of content produced per engagement has no intelligent home.



##### **AI and competitive readiness**

Firms that cannot locate, version-control, and contextualize their content cannot leverage Copilot, AI-assisted workflows, or analytics. Clean information architecture is the foundation every AI investment requires.

# \$4.2M

Estimated annual cost of information inefficiency in a mid-market accounting firm, which includes non-billable search time, compliance remediation, and staff turnover driven by administrative burden.  
*(M-Files/ Industry Analysis)*

## Where Operational Friction in Accounting Shows Up

The consequences of ungoverned information management show up across the firm, not just in IT. Here is where it hits hardest:

**1 Audit & Compliance Risk**  
increases when teams cannot quickly produce complete, accurate, and current engagement documentation.

**2 Utilization & Billable Hours**  
declines as staff spend time searching for files, recreating documents, and chasing approvals.

**3 Client Experience Gap**  
emerge when document sharing is fragmented, unsecure, or inconsistent with modern expectations.


**4 Review & Approval Bottlenecks**  
slow delivery when Four Eyes reviews and sign-offs run through disconnected, manual processes.

**5 Talent Attrition & Burnout**  
accelerates when highly skilled professionals are burdened with repetitive administrative work.

**6 Practice Growth and M&A**  
slows when information is disorganized and difficult to validate.


## THE BUSINESS CASE

M-Files customers in accounting consistently report measurable outcomes across three dimensions:




**Utilization & Efficiency**

- Up to 40% reduction in document search time
- Faster engagement turnaround via automated workflows
- Reduction of non-billable admin overhead
- Reduced onboarding ramp time with role-based access



**Compliance & Risk**

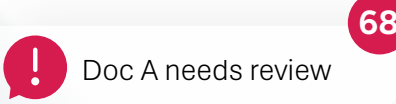
- Always audit-ready, client confidentiality supporting — ISO 27001 and SOX
- Full document lifecycle and approval trail, automatic
- Secure client portal replacing ad-hoc file sharing
- Reduced data breach risk through permission-aware access



**Talent & Client Experience**

- Lower staff burnout from tedious manual work
- Modern digital client experience via Hubshare portal
- Institutional knowledge retained as staff turns over
- Competitive positioning to win and retain major clients

## THE ROOT CAUSE Documents Without Context



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In accounting, documents and deliverables are the work product. Financial statements, audit files, tax returns, and supporting documentation define how services are prepared, reviewed, and delivered to clients.

Yet in most firms, these documents are treated as static files, which are disconnected from the engagements, clients, workflows, and regulations they relate to. The context that gives them meaning is scattered across email chains, practice management systems, and individual expertise.

Without that context, teams struggle to trust the accuracy and completeness of information. Reviews depend on manual follow-ups. Audit trails are fragmented. Compliance becomes reactive instead of built in. And AI cannot generate reliable insights from incomplete or disconnected data.

This absence of context is the root cause of operational friction across accounting firms.

# How Leading Accounting Firms Eliminate Operational Friction

Solving operational friction requires more than better document storage. It requires a new way of managing information across the firm.

Leading firms are adopting **M-Files Context-First Document Management**. Instead of organizing documents by where they are stored, M-Files organizes information by what it is—connecting every document to the client, engagement, workflow, and regulatory requirement it supports. The result is a connected system where information surfaces automatically, with full context and trust.

M-Files works across existing systems—including Practice Management, SharePoint, email, and Microsoft 365—acting as an intelligence layer that unifies information without disruption.



We didn't replace our systems. We connected them. M-Files gave us a single source of truth across tax, audit, and advisory for the first time.

**Managing Partner,  
Top 20 UK Accounting Firm**

## Context-First Document Management transforms how accounting firms deliver engagements, manage compliance, and serve clients.



### ENGAGEMENT DOCUMENT CONTROL & AUDIT READINESS

Teams access complete audit trails, approvals, and version histories instantly. Compliance becomes continuous and audit-ready.



### AUTOMATED WORKFLOW & FOUR EYES APPROVAL

Reviews and approvals are automated, traceable, and connected to engagement documents, reducing delays and increasing utilization.



### CLIENT COLLABORATION VIA HUBSHARE

Clients access documents through secure, structured environments—not email attachments—improving experience and control.



### ONBOARDING & INSTITUTIONAL KNOWLEDGE RETENTION

Staff receive the right documents and training automatically based on their role, reducing ramp time and preserving institutional knowledge.

M-Files doesn't replace your systems. It connects them.

As an intelligence layer across Practice Management, Microsoft 365, and other tools, M-Files automatically classifies, governs, and links information using a metadata-driven approach. Documents become part of a connected system tied to clients, engagements, and workflows, not isolated files.

Native to Microsoft 365, M-Files lets teams keep working in Outlook, Teams, and SharePoint while governance, workflows, and compliance run in the background. This drives adoption without disruption.

Built on an AI-ready foundation, M-Files ensures AI operates on governed, permission-aware, and context-rich information. This enables reliable insights, faster decisions, and trusted automation in regulated environments.

The result is a unified system where documents, workflows, and people work as one. Accounting firms move faster, reduce risk, and improve utilization.

As AI adoption accelerates and regulatory demands increase, firms without governed, contextualized information face growing risk, inefficiency, and unreliable outputs. Those that act now build a foundation for trusted AI, stronger compliance, and scalable performance.

# WHY ACT NOW?

The urgency to address *operational friction* is accelerating.



- 1 Regulatory expectations continue to rise, requiring greater traceability and control.
- 2 AI is moving from experimentation to execution, but without trusted, context-rich information, it cannot deliver value.
- 3 The cost of delay is immediate. Disconnected systems increase risk, slow execution, and compound inefficiency every quarter.

**Firms that act now build the foundation for stronger compliance, higher utilization, and scalable AI. Those that delay fall behind.**

## M-Files

### Getting Started

M-Files provides a proven, phased approach that allows firms to start with high-impact use cases and demonstrate value quickly.

Organizations can begin with areas such as audit readiness, engagement workflows, or client collaboration—and expand across the firm without disruption.

### Ready to see it in action?

Schedule a tailored executive briefing and see how M-Files maps to your specific accounting firm workflows.

[REQUEST YOUR EXECUTIVE BRIEFING](#)

