2025-2026

Advisory Services Research:

Activating HR's Trusted Village (2025-2026)

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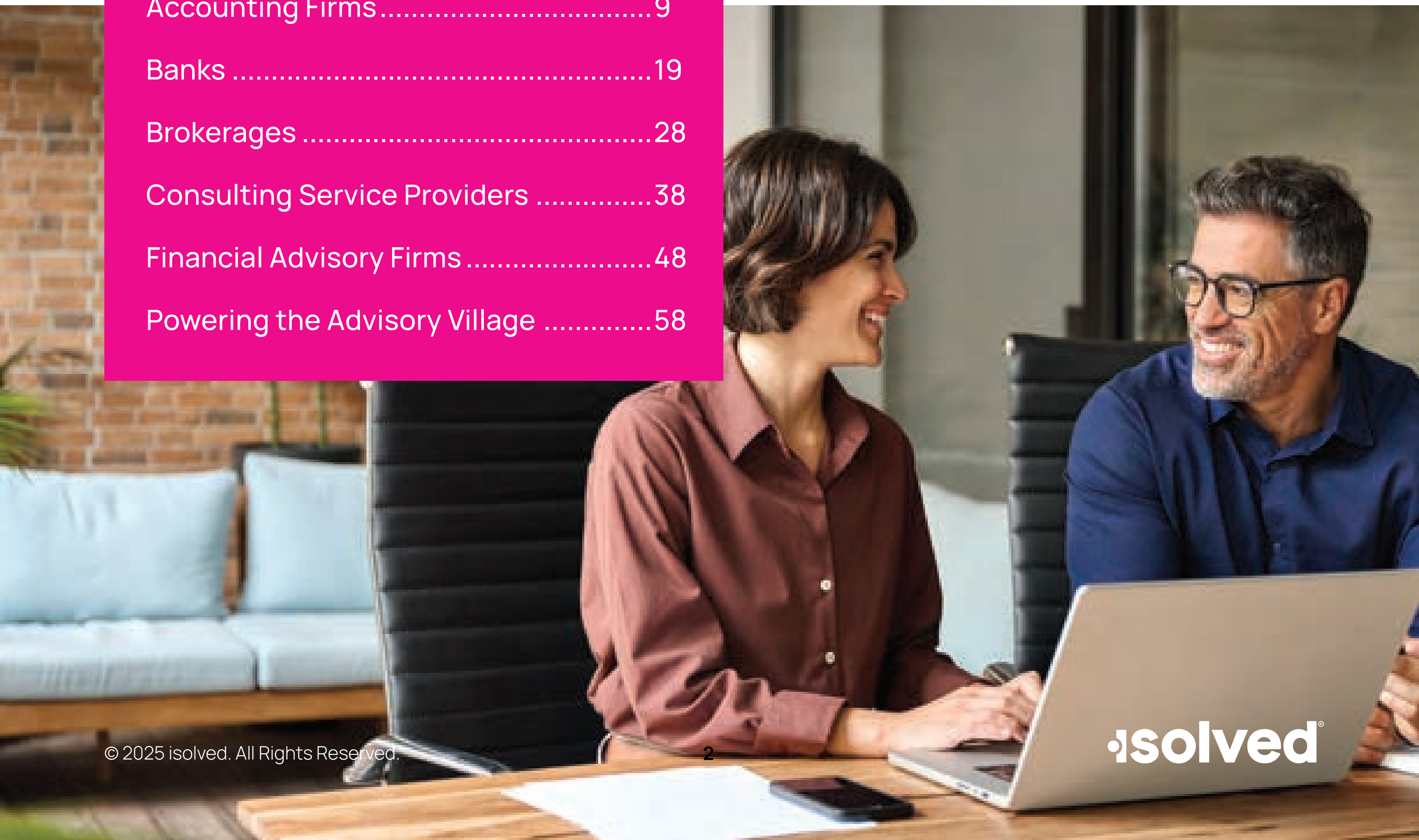
Modern people management looks nothing like it did just five years ago. Today, human resources (HR) leaders are expected to drive strategic change, support burned-out workforces, adopt emerging technologies and foster organizational trust—all while navigating complex compliance and cultural challenges. As HR continues to evolve from an operational function to a strategic one, its leaders are shaping not just the workforce, but the future of work itself.

To meet rising demands, many HR leaders are turning to what has become their own advisory village: a trusted network of partners who support the full scope of people management. This village often includes accountants, bankers, brokers, consultants, financial advisors and technology providers. The relationship with these advisors goes beyond just services. It's grounded in strategic alignment and shared outcomes, helping HR teams deliver greater business impact while advisors scale their operations.

In this 'Advisory Services Research: Activating HR's Trusted Village' report, we surveyed more than 1,000 advisors across five segments: accounting firms, banks, brokerages, consulting service providers and financial advisory firms. Their responses reveal how advisory roles are expanding from transactional support to long-term strategic partnerships by deepening client relationships, adapting new technologies and embedding consultative services to their business models. In doing so, their helping HR leaders move faster, plan smarter and lead with confidence.



Overall Advisory Trends

Current-State Snapshot: Overall Advisory Trends

TYPICAL CLIENT BASE

Industry: Financial services	**Size:** 101-250 EEs	**Top Lead Source:** Referrals & digital marketing

TYPICAL CLIENT RELATIONSHIP

Top Service Provided: Health insurance	**Top Client Challenge:** Economic uncertainty	**Top Client Compliance Concern:** ERISA & FMLA/leave management

BUSINESS CHALLENGES & OPPORTUNITIES

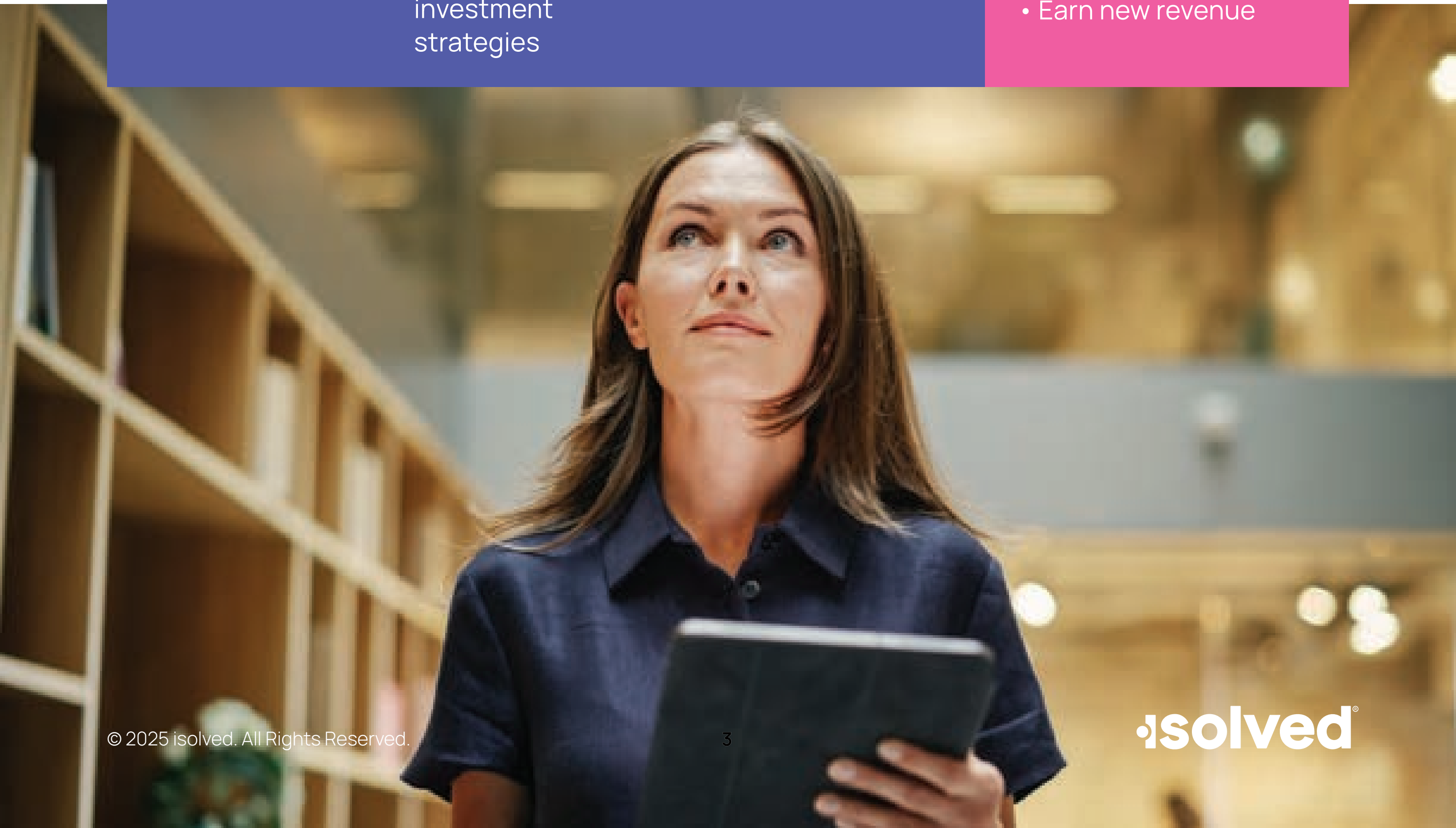
Top Challenge: Growing book of business	**Top Opportunity:** Embracing AI & automation for personalized investment strategies	**Future Service Opportunity:** FMLA/leave management

GUIDANCE AT A GLANCE

Move Up the Value Chain

Strengthen client relationships and extend your business with compliant and service-backed technology partners to:

- Extend your reach
- Add value to your advisory services
- Differentiate your business
- Earn new revenue



State of Services

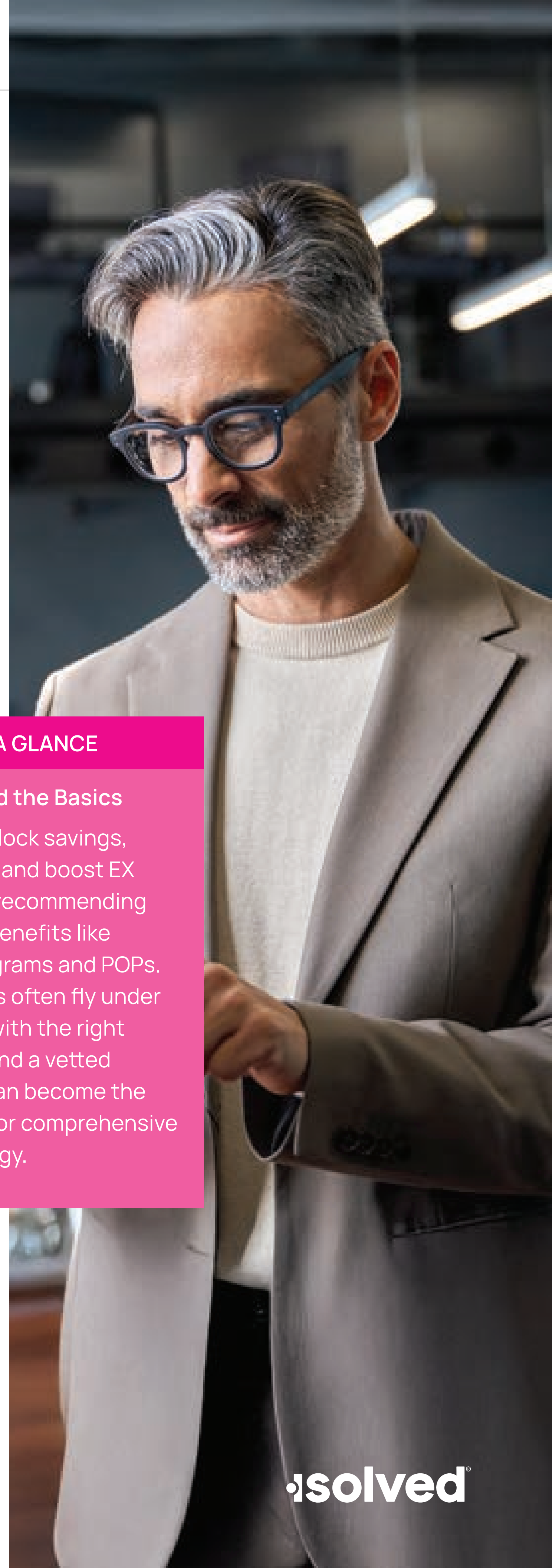
HR leaders are building their own team of experts, and the data shows that most advisors are providing support for health insurance and 401(k) offerings. Health insurance and retirement benefits are table stakes for remaining competitive when recruiting talent. Since these benefits are complex to administer, requiring regulatory expertise, communication and strategic planning, it's not a surprise clients are looking for professional guidance.

The services advisors are least likely to offer include non-discrimination tests, Premium Only Plans (POPs), Employee Retirement Income Security Act (ERISA) and commuter benefits. Despite being among the least offered services, commuter benefits are the second-most intended addition by advisors over the next year. This low-barrier offering has high-impact potential, especially as organizations revisit return-to-office strategies and look for ways to address rising employee expectations. Beyond improving employee experience (EX), commuter benefits can provide tax advantages, as employees can contribute pre-tax dollars toward transit expenses and employers can reduce payroll tax liabilities. Plus, in jurisdictions where commuter benefits are mandated, offering them is more than just a value-add. It's a smart compliance move.

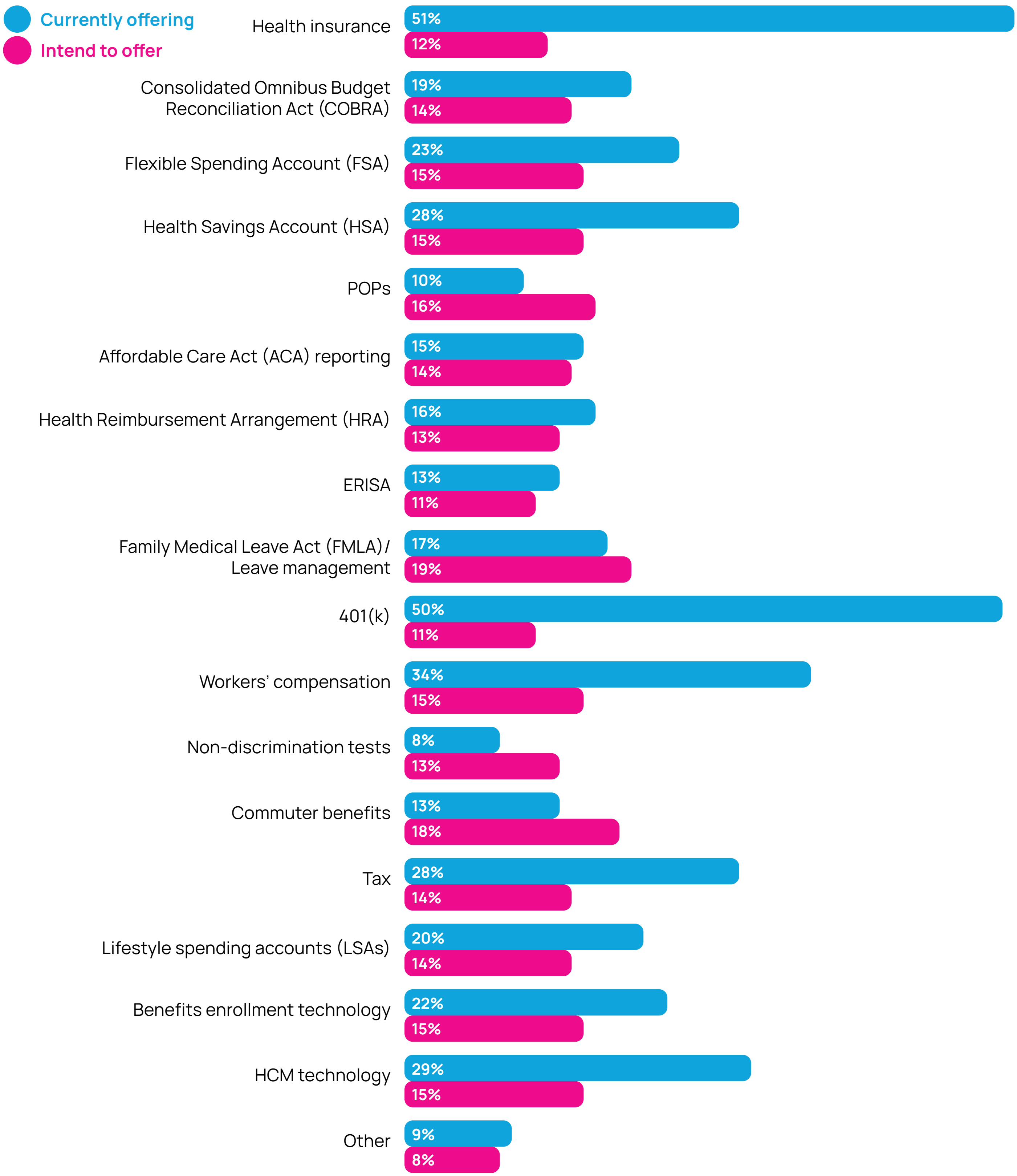
GUIDANCE AT A GLANCE

Expand Beyond the Basics

Help clients unlock savings, stay compliant and boost EX by proactively recommending underutilized benefits like commuter programs and POPs. These offerings often fly under the radar, but with the right conversation and a vetted provider, you can become the go-to advisor for comprehensive benefits strategy.



What services are you currently offering your clients, or intend to offer in the next year?



Compliance Concerns & Client Challenges

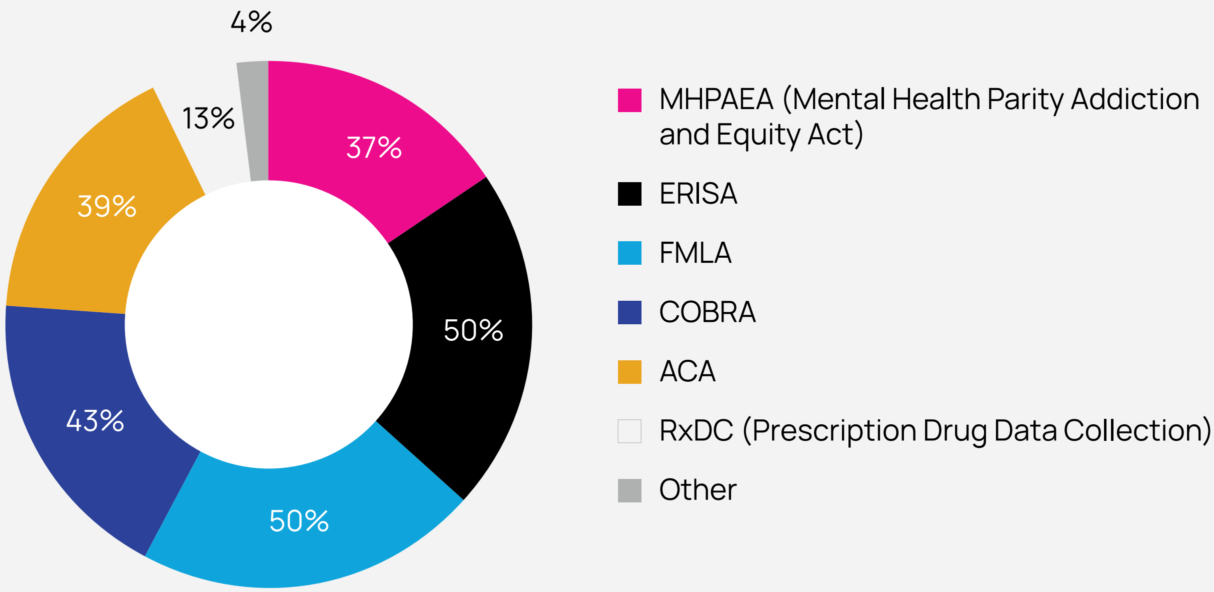
The top compliance concerns clients are facing relate to ERISA and FMLA. With only 16% of advisors supporting ERISA and 21% supporting FMLA/leave management, both concerns come with opportunities for advisors to differentiate their business. That may be the reason why FMLA/leave management was selected as the top solution advisors plan to add over the next year.

Historically, the lack of FMLA support stems from being unfamiliar with both the offering and providers. This is why finding a trusted third-party administrator (TPA) or human capital management (HCM) technology provider to partner with is critical. Rather than administering leave programs directly, advisors can guide clients through compliance requirements, recommend solutions that automate tracking and documentation, and bundle FMLA support with broader services such as benefits administration or compliance consulting.

GUIDANCE AT A GLANCE

Bridge Gaps with the Right Partner
Many clients need help navigating complex leave policies but hesitate due to internal gaps in expertise or capacity. Advisors who recommend a trusted TPA can close this gap while also ensuring compliance, easing administrative burden and reinforcing value as a strategic partner.

What are the top compliance concerns for your clients?



While compliance remains a constant concern for most business leaders, economic uncertainty is the most pressing challenge clients are bringing up to their advisors. From inflation and interest rate fluctuations to unpredictable labor costs, clients are navigating unstable conditions that impact everything from workforce planning to benefit strategies. Advisors can play an important role here by helping clients remain compliant, while also providing strategic support for managing risk, optimizing budgets and making informed decisions that lead to faster returns.

What are your clients' top business challenges?

1. Economic uncertainty
2. Managing risk
3. Data and privacy security

Advisory Challenges & Opportunities

Artificial intelligence (AI) is seen as a major opportunity across the advisory landscape, but the way it's being applied varies by advisor type. Interestingly, **the top opportunity cited across segments is embracing AI for personalized investment strategies**. It's easy to see how this aligns with the work of financial advisors and accountants, but seems outside the core scope for other advisor groups. For example, brokers and consultants are likely to see more value from AI when it's tied to operational efficiency, client service automation and compliance tracking.

Top Business Challenges

Ranked by Priority

1. Growing our book of business
2. Managing risk
3. Economic uncertainty

Top Business Opportunities

Ranked by Priority

1. Embracing AI and automation for personalized investment strategies

2. Adapting to regulatory changes for enhanced compliance (tied)

2. Exploring sustainable investing to meet evolving client demands (tied)

3. Leveraging digital transformation to enhance customer experience

Of course, the path forward with AI is not without obstacles. While AI powers tools that can scale services and improve efficiency, it also introduces new complexities. Advisors are navigating how to integrate these technologies without losing the trust and personal connection that drives long-term client relationships—especially because the biggest challenge advisors report is growing their book of business.

Concerns around maintaining transparency, meeting compliance standards and balancing automation with human insight all factor into how advisors adopt AI. To fully realize growth potential, advisors must pair innovation with intentional strategy, regulatory awareness and a continued focus on relationship-building.

Effectively building client relationships, however, depends on the unique dynamics between client and advisor. The following sections dive deeper into distinct advisor-client relationships, starting with accountants.

GUIDANCE AT A GLANCE

Advance Advisory with AI

Work AI into your business gradually. Start by identifying time-consuming tasks to automate, like compliance tracking or benefits reporting. Then, recommend AI-powered technology partners that can scale with your clients. Pairing smart tools with trusted guidance helps you stay competitive.

Accounting Firms

Current-State Snapshot: Accounting Firms

TYPICAL CLIENT BASE

Industry: Financial services	**Size:** 25 EEs or less	**Top Lead Source:** Referrals

TYPICAL CLIENT RELATIONSHIP

Top Service Provided: Health insurance	**Top Client Challenge:** Retaining customers	**Top Client Compliance Concern:** ERISA

BUSINESS CHALLENGES & OPPORTUNITIES

Top Challenge: Growing book of business	**Top Opportunity:** Embracing AI & automation for personalized investment strategies	**Future Service Opportunity:** FMLA/leave management

GUIDANCE AT A GLANCE

Bring Data to Benefits

Help clients better understand costs, model plan design options and tailor benefits packages that align with workforce needs by leveraging AI-powered insights. By turning numbers into strategy, you elevate your role and strengthen long-term client partnerships.

State of Services

Accountants are increasingly playing a broader advisory role for their clients. This is particularly true when it comes to benefits and compliance. The top service they currently support is health insurance, followed by 401(k) and tax. Health insurance is outside traditional expectations for accounting professionals but can fit within the scope of firms that offer payroll services or act as strategic compliance partners. For smaller clients especially, having a single trusted advisor who can offer financial guidance and benefits-related insight simplifies operations and deepens the advisor relationship.

POPs are one area accountants are still cautious about, as this ranked as their least offered service. This may be due to the nuanced regulatory requirements and administrative complexity associated with managing pre-tax benefit elections. That said, 15% of accountants plan to add POPs to their offerings in the next year, which could be a sign that demand is influencing expansion.

Looking toward the future, the top service accountants plan to add is FMLA and leave management. This signals responsiveness to evolving client needs, particularly for small businesses without dedicated HR teams. Accountants are well-positioned to support leave tracking and compliance from a financial and process standpoint, but cited a lack of familiarity with the offering as a barrier in the past.

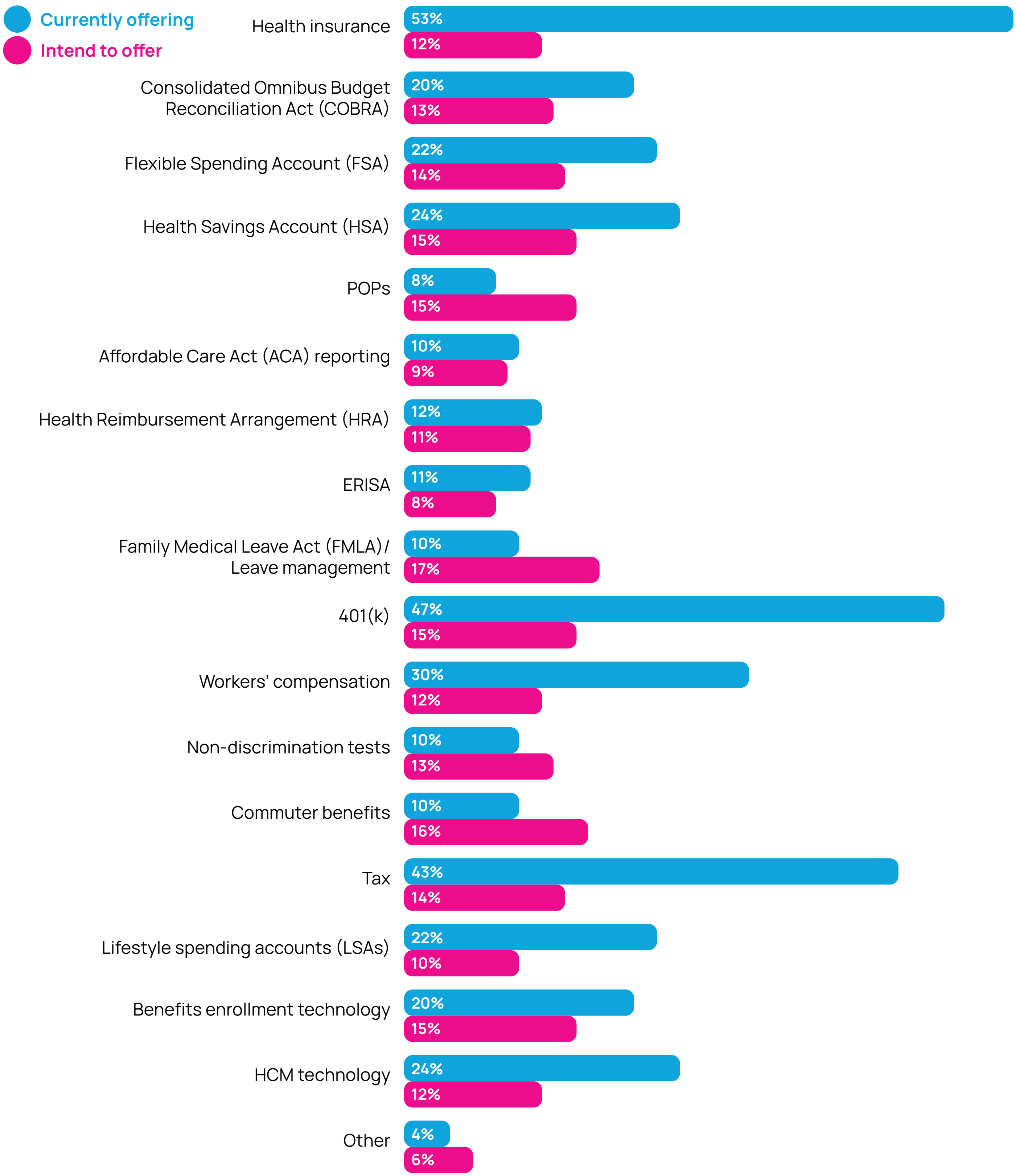
GUIDANCE AT A GLANCE

Support Growth-Ready Clients

When expanding services into benefit-related compliance, start by identifying clients without internal HR support. Then recommend trusted technology partners to handle complexity while you guide on process, cost and compliance. These services help deepen your role as a go-to advisor, particularly for small business clients.

Accounting Firms

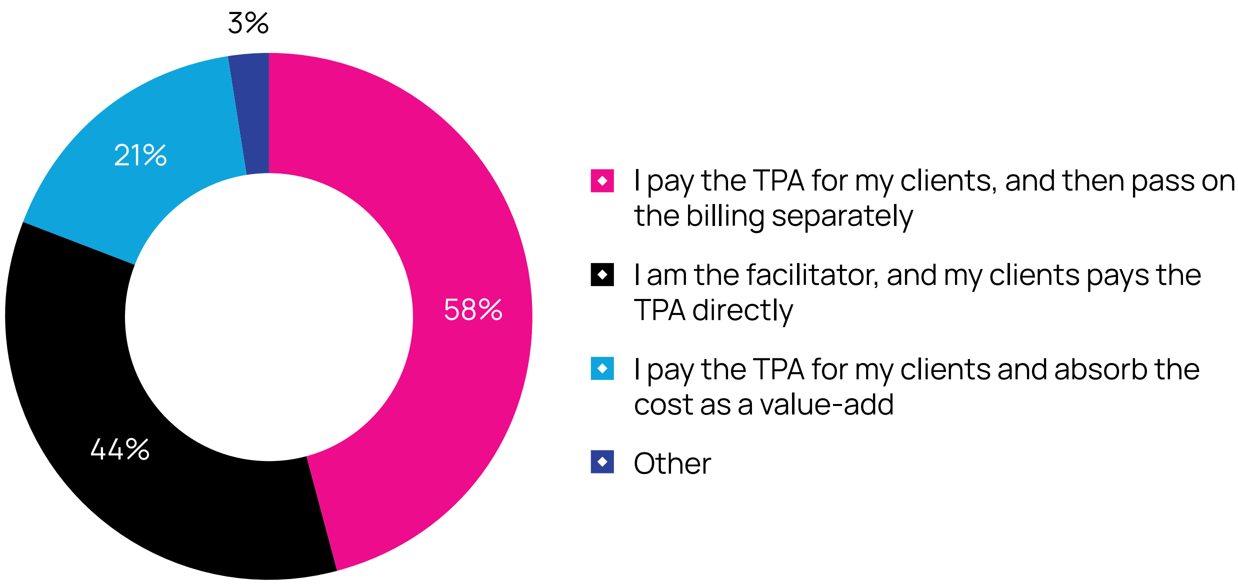
What services are you currently offering your clients, or intend to offer in the next year?



TPA Partnerships

When looking at how accountants support clients with benefit and compliance needs, it's essential to consider relationships with TPAs. Just 25% of accountants say they keep benefit and compliance services solely in-house, with 40% outsourcing and 36% using a mixture of the two. In terms of billing, most accountants pay the TPA directly and bill their clients separately, but 21% end up absorbing the cost as a value-add. What's more, 53% of accountants say they administer benefit and compliance services through a TPA, but have their clients come directly to them for any questions or concerns.

How do you typically bill for benefit and compliance services?



When choosing a TPA, accountants prioritize partners who deliver exceptional customer service, expert compliance guidance and a strong employee onboarding experience. These factors reveal accountants' need for reliable, knowledgeable partners who can enhance the client experience and reduce administrative complexity. Ultimately, TPAs are not just vendors, but strategic collaborators who help deliver high-quality compliance services.

What Accountants Prioritize in TPA Partners

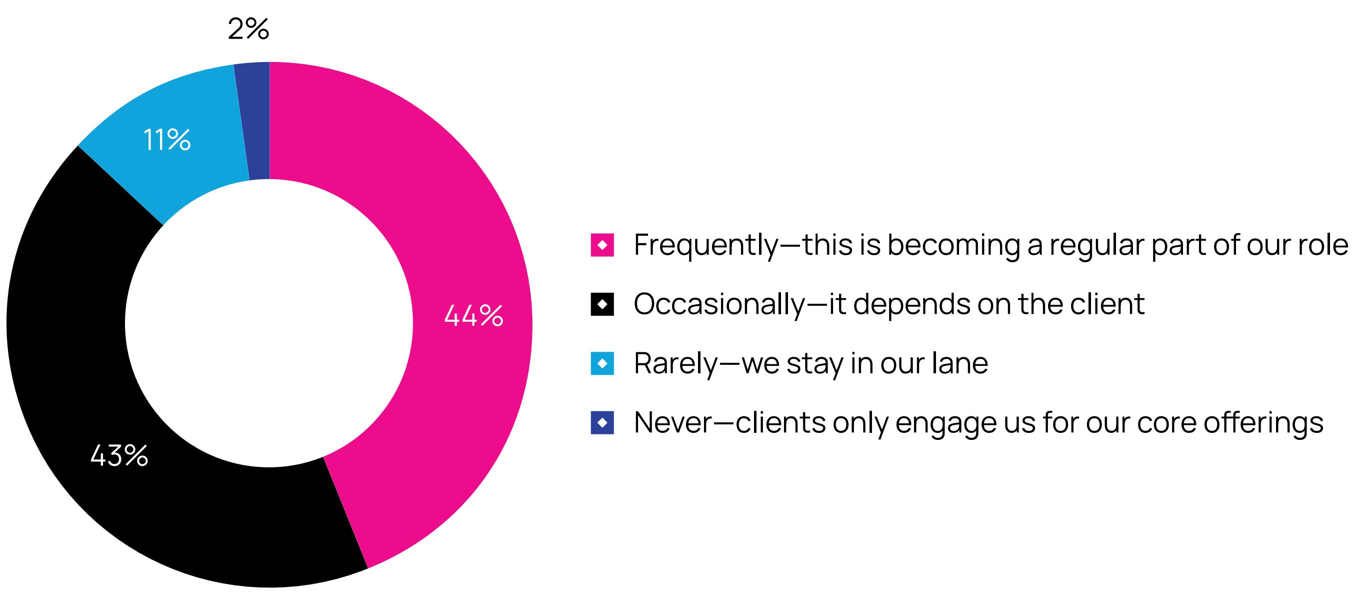
1. **Exceptional customer service**
2. **Expert compliance guidance**
3. **Strong employee onboarding experience**

Advisory Challenges & Opportunities

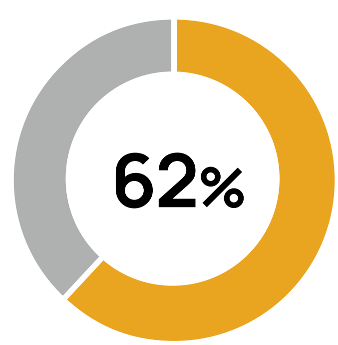
Most accountants report customer retention is their clients' top concern, followed closely by economic uncertainty and managing risk. On the compliance side, ERISA causes the biggest headache. These concerns are reshaping client expectations in two clear ways: a heightened demand for compliance support and a growing interest in benefits cost-control strategies, such as optimized health insurance plans, flexible spending accounts (FSA) and health savings accounts (HSAs).

To meet these evolving needs, accountants can benefit by expanding their networks to include HCM technology providers, especially because 44% report clients frequently ask for guidance outside their firm's typical service scope.

How often are clients asking for guidance outside of your traditional service areas?



When anticipating the future, **62% of accountants say AI and automation will have the greatest impact on their advisory services over the next three years.** That aligns with what they see as their top business opportunity: leveraging AI and automation for personalized investment strategies. Despite opportunities, concerns still remain. In fact, 62% say they're worried advancements in AI and machine learning could eventually replace the need for human brokers in the financial services industry. This doesn't directly reflect their own role, but indicates broader trepidation about the future of human-led advisory work.



Acounting Firms—Top Business Challenges

Ranked by Priority

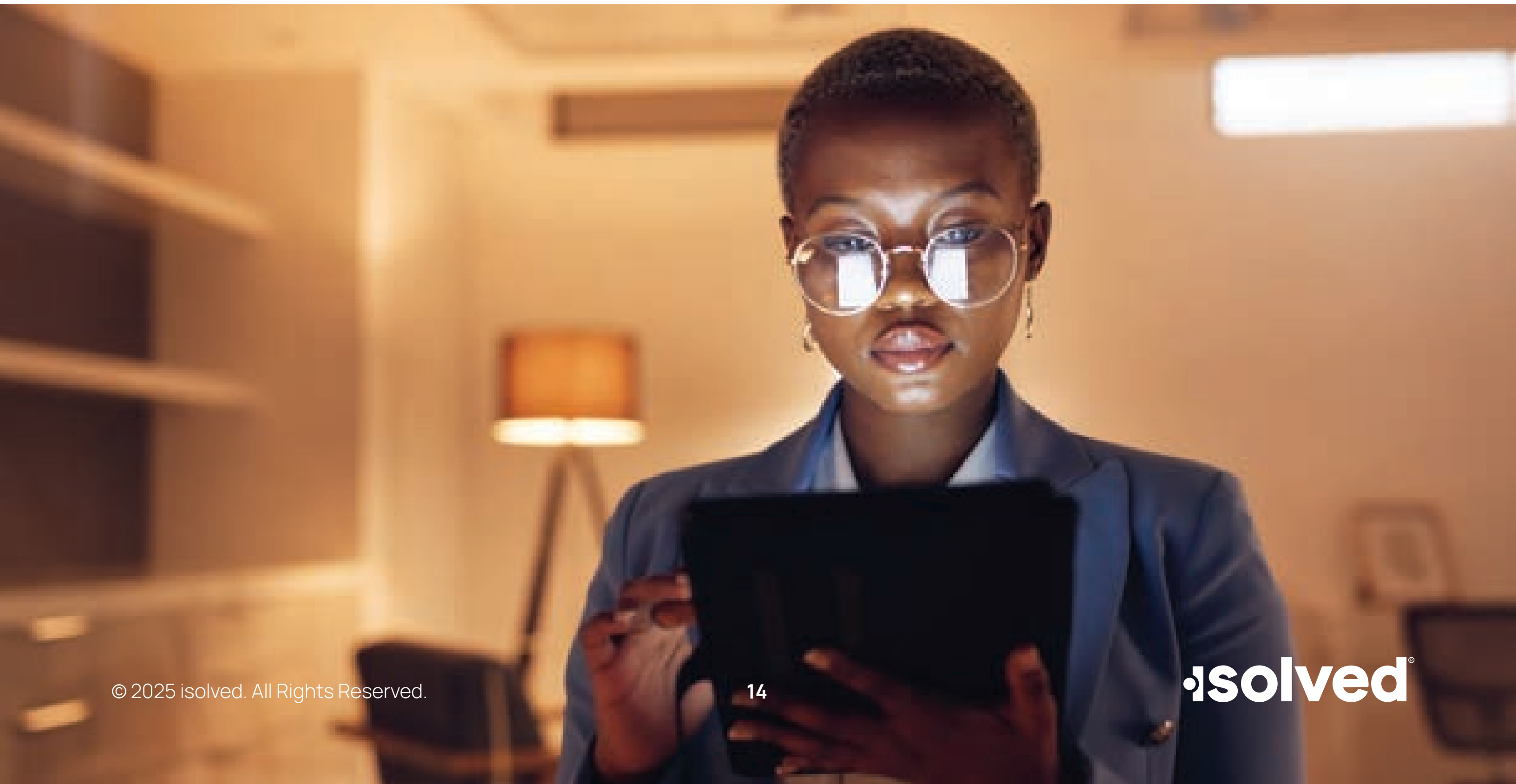
1. Growing our book of business
2. Retaining clients
3. Managing risk

Accounting Firms—Top Business Opportunities

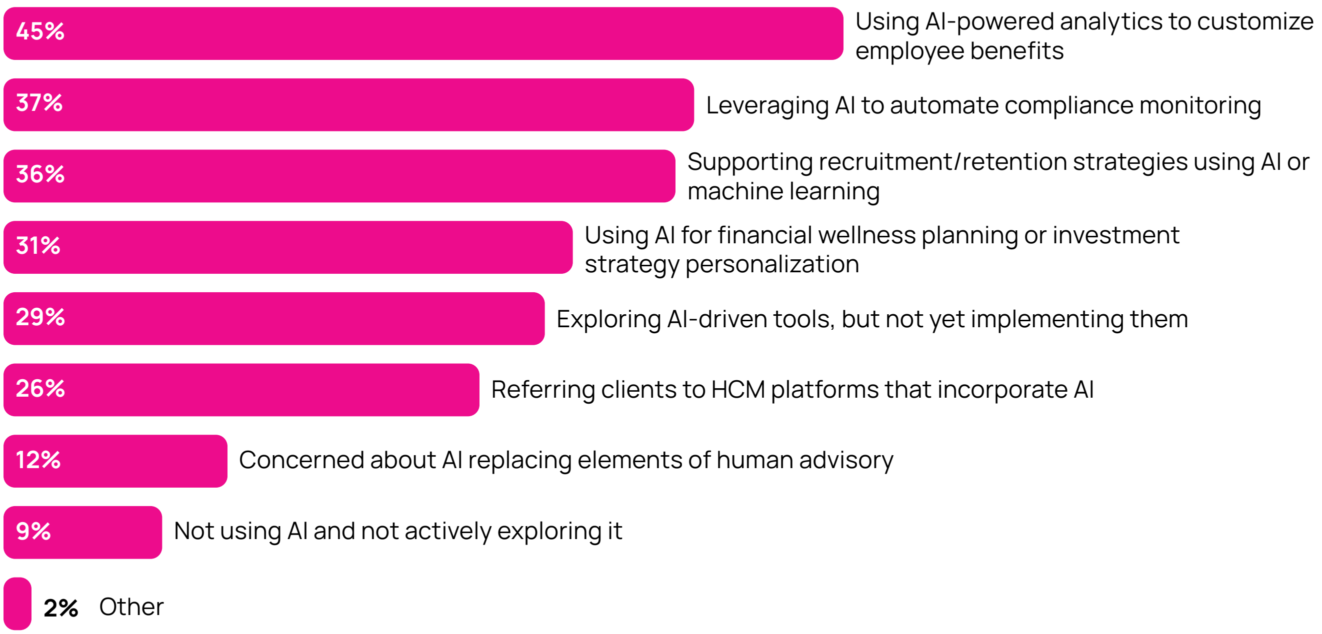
Ranked by Priority

1. Embracing AI and automation for personalized investment strategies
2. Adapting to regulatory changes for enhanced compliance (tied)
2. Exploring sustainable investing to meet evolving client demands (tied)
3. Leveraging digital transformation to enhance customer experience

Given the concerns around AI, it's even more important for advisors to stay engaged with the technology. Accountants who do will be better positioned to offer strategic guidance, even when it's beyond traditional financial functions. Encouragingly, half say they already feel very confident in their ability to advise clients on AI-powered HR and benefits solutions. Their top application currently is using AI-driven analytics to help clients personalize employee benefits. This is especially useful when benefits planning intersects with budgeting, compliance or cost modeling. Keep in mind that HR leaders are looking to their advisory village for cross-functional guidance.



How is your firm using AI to support its clients?

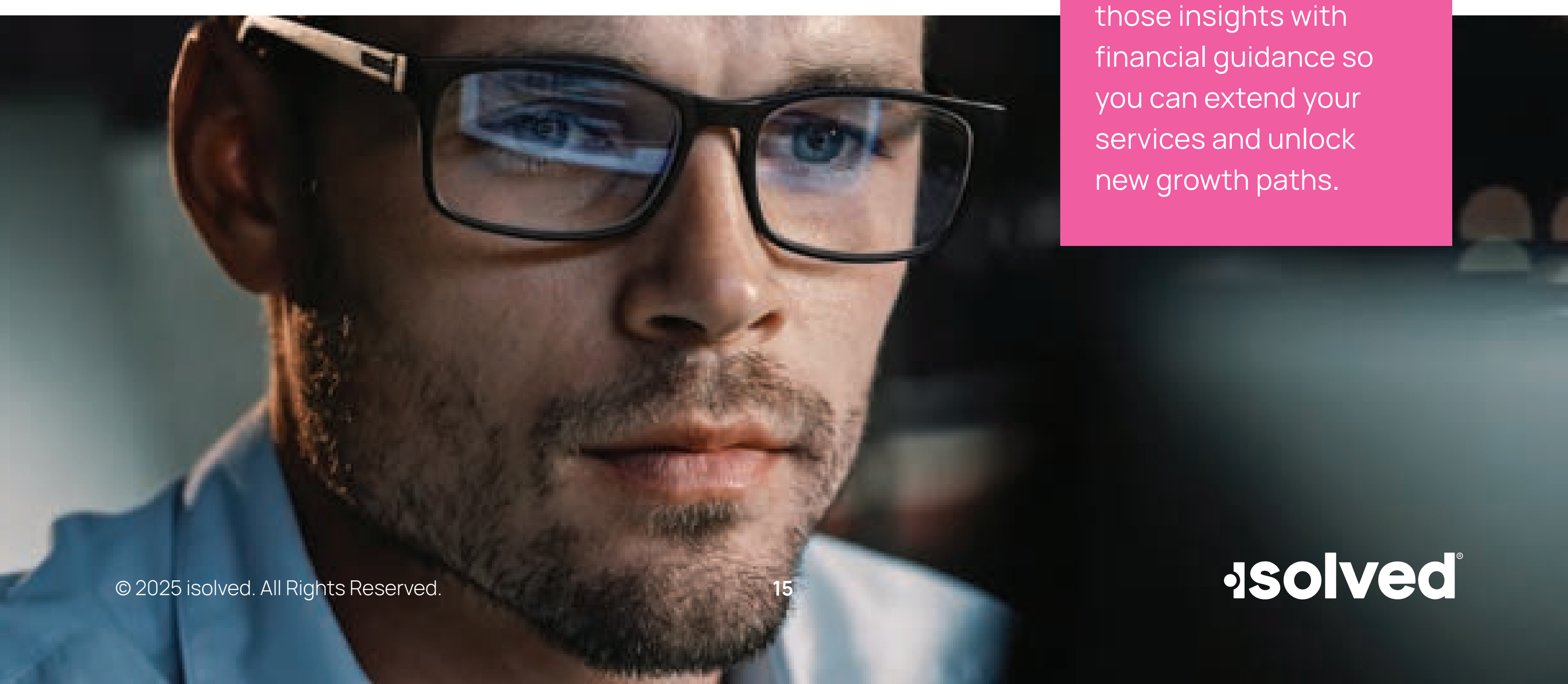


In terms of outcomes, most accountants say the top benefits they've seen from AI are streamlined compliance and better employee engagement. Conversely, the top concern shared relates to AI recommendations that may not consider company culture of softer employee needs. This brings a common hesitation into focus: while AI can optimize processes, it may overlook the human nuances that are critical to workforce satisfaction and long-term retention.

GUIDANCE AT A GLANCE

Take the Lead with AI

Identify AI tools that help clients model benefits costs, automate compliance tracking or plan for workforce needs. Pair those insights with financial guidance so you can extend your services and unlock new growth paths.



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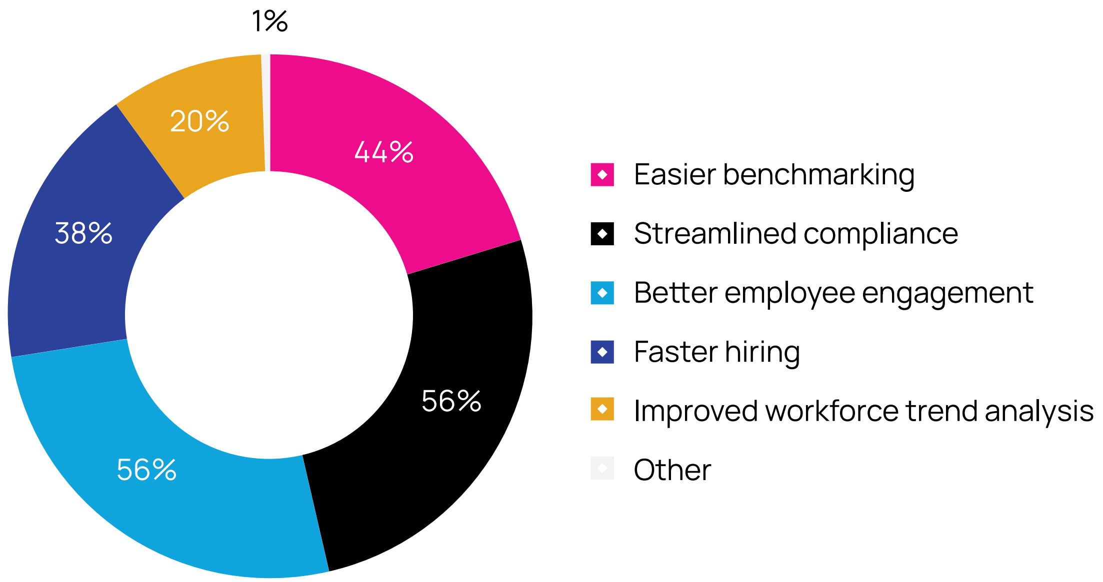
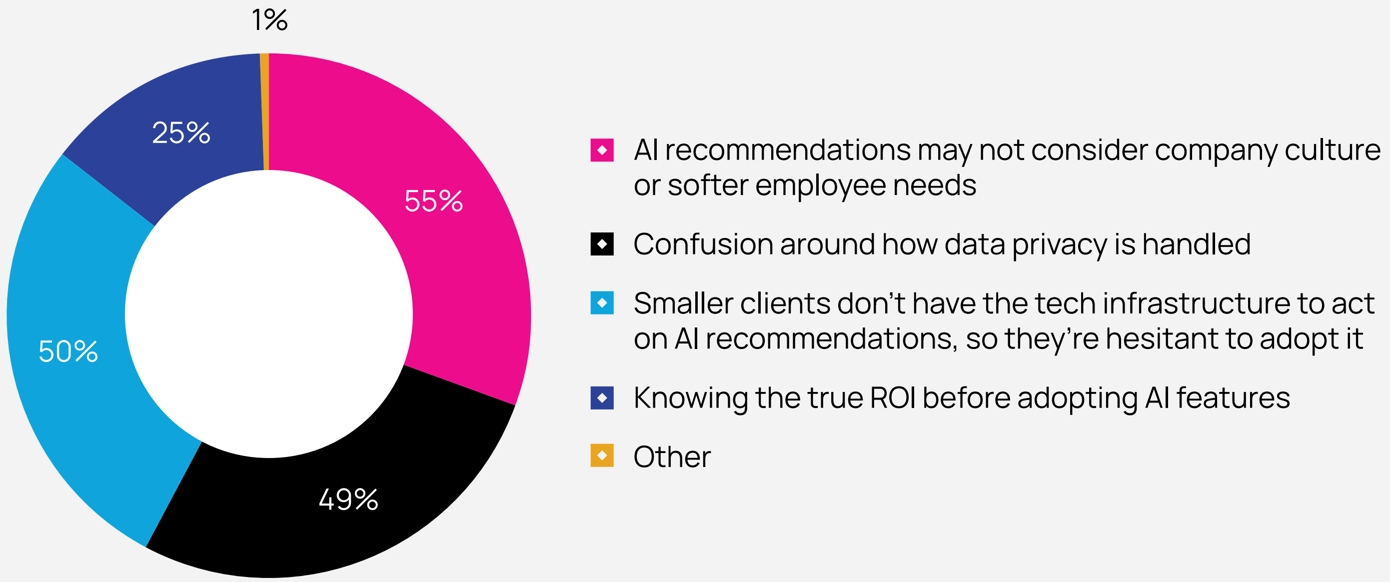
What benefits have been experienced with AI?



What concerns have been experienced with AI?



Similar to the overall advisory group, accountants identified growing their book of business as their top challenge. This aligns with their clients' top identified challenge too, which is retaining customers.

One of the best ways to overcome growth challenges is by opening new revenue streams. Although almost half (49%) of accountants say their business can grow without adding more software or services, 21% say at least half of their client base is asking for HR or benefits technology recommendations. Since strategic advice beyond traditional services has become more common over the last year, having a referral partnership with trusted providers can be an easy way to extend business while also strengthening client relationships.

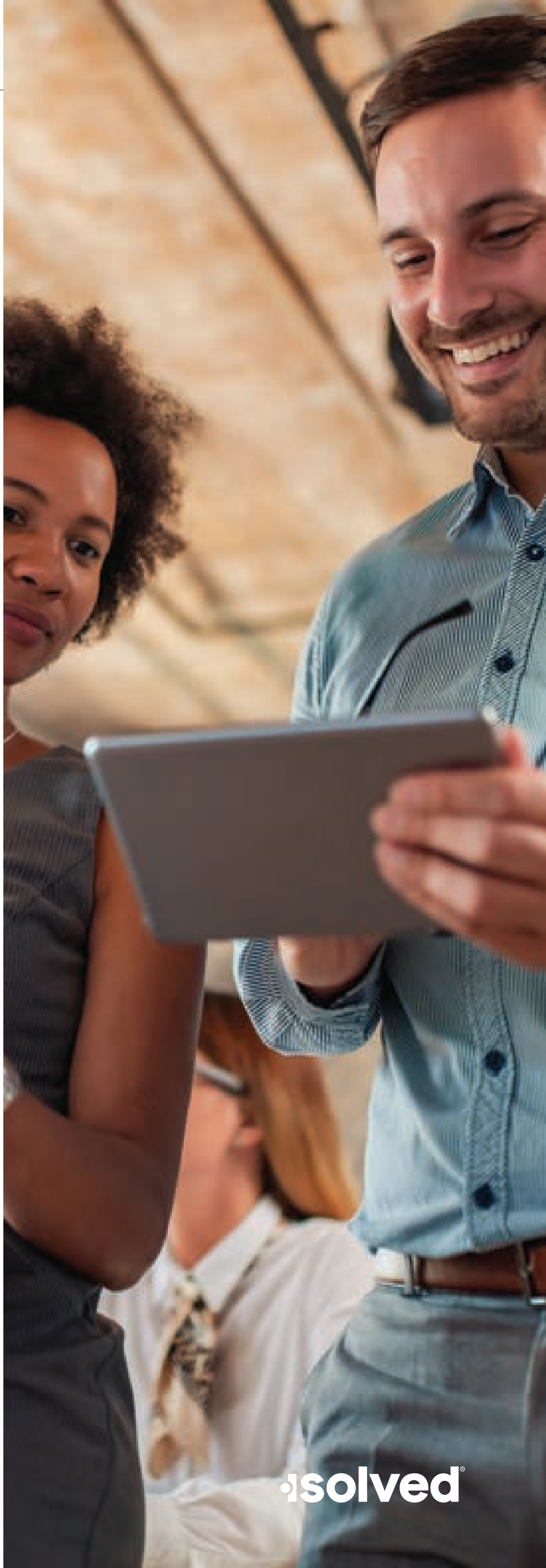
Which of the following client expectations have become more common?

When advising on technology, it's important to know how clients measure success. Most accountants say the top indicators are 1) employee retention; 2) employee satisfaction surveys; and 3) hiring wins. With that in mind, the most important capability accountants say they look for in an HCM technology provider is strong onboarding and customer support. Onboarding in particular is a strategic moat, because a seamless experience with a recommended provider strengthens the trust in the client-advisor relationship.

According to accountants, this is what the prioritize when evaluating if an HCM provider if referral worthy:

1. **Client experience**
2. **Partner support**
3. **Reputation**
4. **Compliance coverage**
5. **Revenue potential**
6. **Integration ease**

While accountants tend to work with smaller businesses and offer foundational support, banks are partnering with slightly larger clients. Here's how their approach and priorities compare.



Banks

Current-State Snapshot: Banks

TYPICAL CLIENT BASE		
Industry: Financial services	**Size:** 101-250 EEs	**Top Lead Source:** Digital marketing

TYPICAL CLIENT RELATIONSHIP		
Top Service Provided: 401(k)	**Top Client Challenge:** Economic uncertainty	**Top Client Compliance Concern:** FMLA

BUSINESS CHALLENGES & OPPORTUNITIES		
Top Challenge: Managing risk	**Top Opportunity:** Embracing AI & automation for personalized investment strategies	**Future Service Opportunity:** FMLA/leave management

GUIDANCE AT A GLANCE

Scale Smarter with Strategic Referrals

As more clients inquire about HR tech and compliance, it's essential to be ready with strategic guidance. Build referral-ready relationships with vetted HCM providers so you're prepared with trusted solutions for FMLA, ACA reporting, benefits technology and more when clients come to you for advice.

Banks

State of Services

As the role of banks in the advisory village continues to evolve, we're seeing a shift toward more holistic workforce support. Currently, the most offered services include 401(k) plans and health insurance, which are traditional components of a financial wellness package. Similar to accountants, health insurance may seem outside a banker's scope, but support reflects a growing trend of recommending or facilitating benefits solutions as part of broader business advisory relationships.

Over the next year, banks show the most interest in expanding into FMLA and leave management, with 21% planning to add support to their offerings. This marks a notable shift toward complex compliance and HR-related functions. In the past, more than half of bankers have been deterred from offering FMLA or leave management support due to a lack of familiarity.

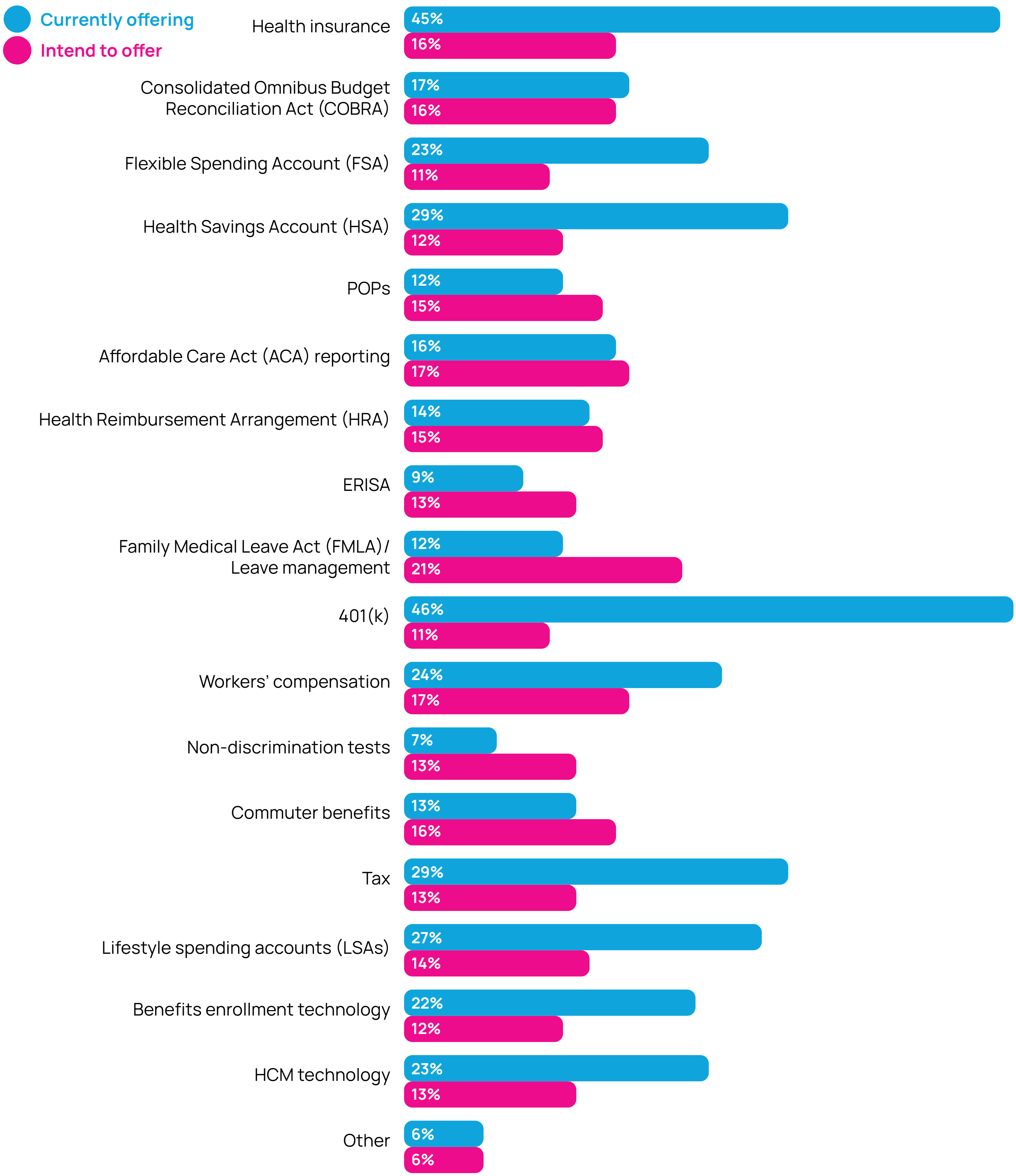
Modest increases in support for ACA reporting, POPs and commuter benefits are also revealed within the survey responses, which suggest a growing interest in regulatory compliance and lifestyle-driven offerings. In contrast, fewer banks plan to expand into HCM technology (13%) or benefits enrollment platforms (12%), despite technology recommendations being the top client expectation that has become more common over the last year.

GUIDANCE AT A GLANCE

Reframe the Referral

Don't think of HCM support as outside your scope. Think of it as deepening your client relationship. Referring a trusted partner that can help your clients scale reinforces your value as a strategic collaborator within your client's advisory village.

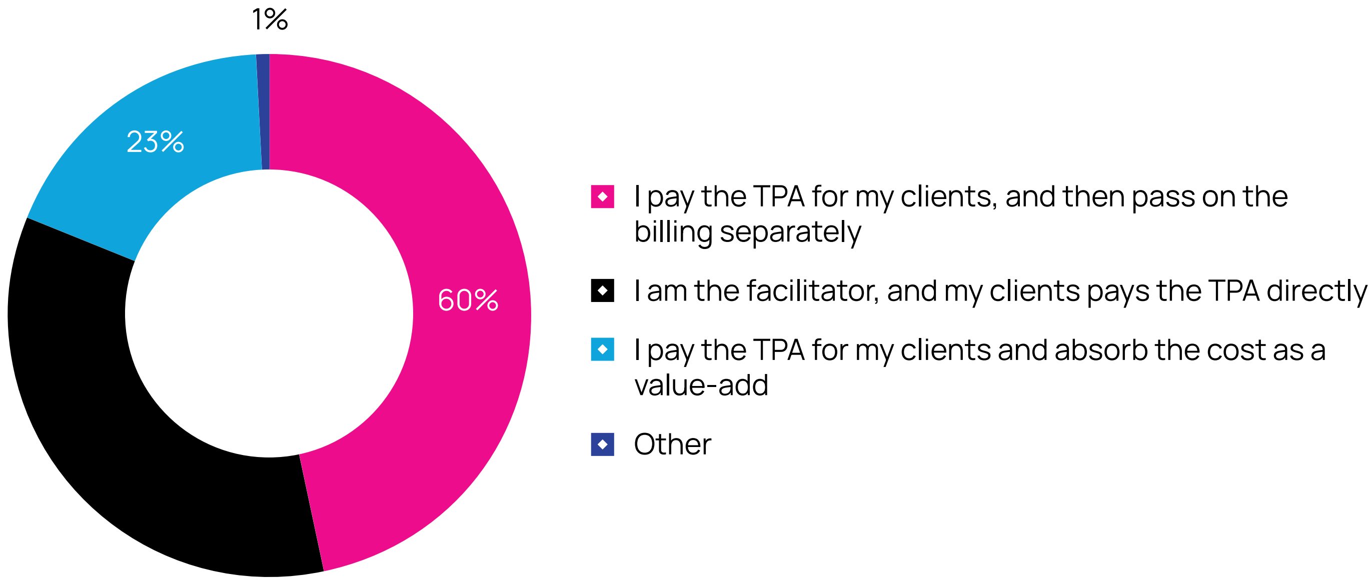
What services are you currently offering your clients, or intend to offer in the next year?



TPA Partnerships

For bankers who are taking an active role in supporting their clients with benefit and compliance services, 44% are offering a combination of in-house and outsourced support. When it comes to TPAs, 60% of bankers pay the third party directly and then pass on the cost to clients, while 44% act as facilitators, allowing clients to pay the TPA themselves. Notably, 57% of bankers say they manage these services on behalf of clients and communicate directly with the TPA, strengthening their position as a hands-on partner.

How do you typically bill for benefit and compliance services?

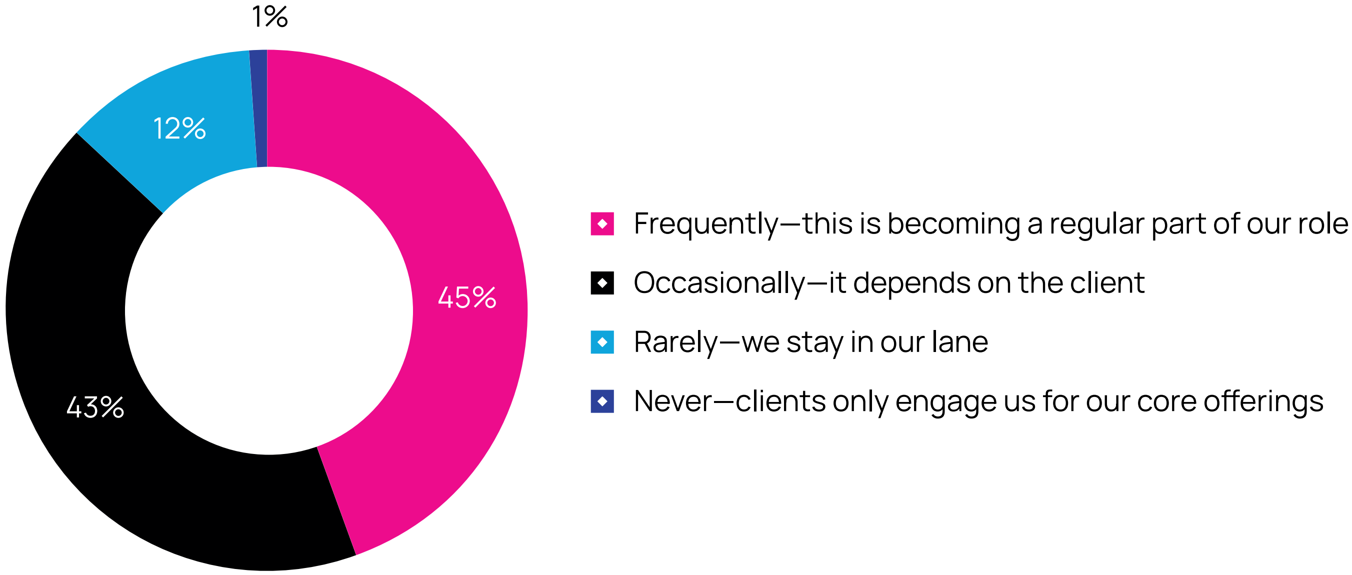


When selecting TPA partners, bankers prioritize exceptional customer service, expert compliance guidance and a strong employee onboarding experience. These priorities indicate a desire for partners who not only meet regulatory demands, but also elevate the overall client experience. This is more important than ever because 88% of clients are asking for guidance outside of a banker's traditional service area at least occasionally.

What Banks Prioritize in TPAs

1. **Exceptional customer service**
2. **Expert compliance guidance**
3. **Strong employee onboarding experience**

How often are clients asking for guidance outside of your traditional service areas?



Advisory Challenges & Opportunities

Bank-affiliated advisors are facing a unique set of challenges, with managing risk emerging as the most pressing issue followed closely by growing their book of business and navigating ongoing economic uncertainty. These pressures are significant in the current financial landscape where instability is shaping both client priorities and the strategies advisors must adopt to remain competitive.

Banks—
Top Business Challenges

Ranked by Priority

1. Managing risk
2. Growing book of business (tied)
2. Economic uncertainty (tied)
3. Retaining clients (tied)
3. Adapting to tech innovation (tied)

Banks—
Top Business Opportunities

Ranked by Priority

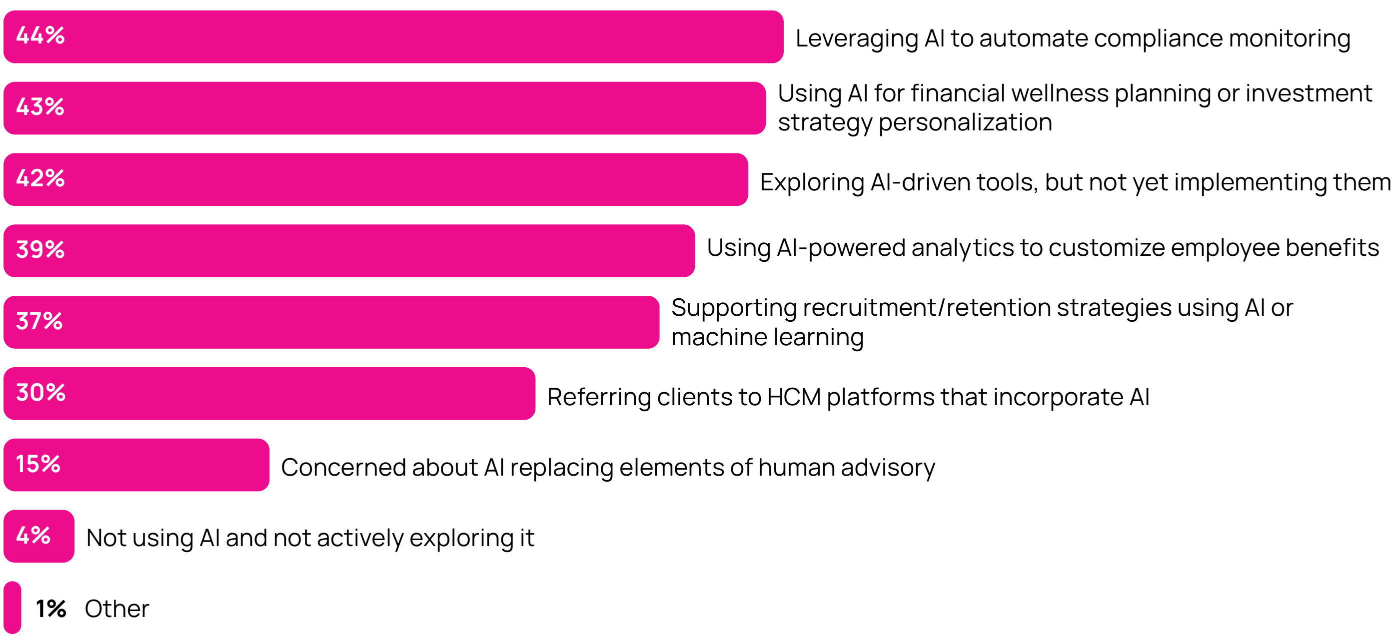
1. Embracing AI and automation for personalized investment strategies
2. Exploring sustainable investing to meet evolving client demands
3. Offering HCM technology to clients

When it comes to compliance, bankers say that FMLA is their clients' top issue, which is likely why 21% are planning to add it to their service offerings. With clients facing new challenges every day, bankers say there's higher demand for benefit cost-control to better manage compliance risk and budget constraints.

Many bankers are also turning to AI and automation to elevate their advisory. In fact, the top business opportunity identified by respondents is embracing AI for personalized investment strategies, while 59% also say AI and automation is the trend that will have the biggest impact on their services over the next three years.

As such, 44% of bankers are already using AI to automate compliance monitoring, while other top use cases include financial wellness planning and tailoring employee benefits. A significant amount (42%) are exploring AI-driven tools but not implementing them yet. An easy way to incorporate AI into advisory services is by referring AI-powered HCM providers, which 30% say they are doing.

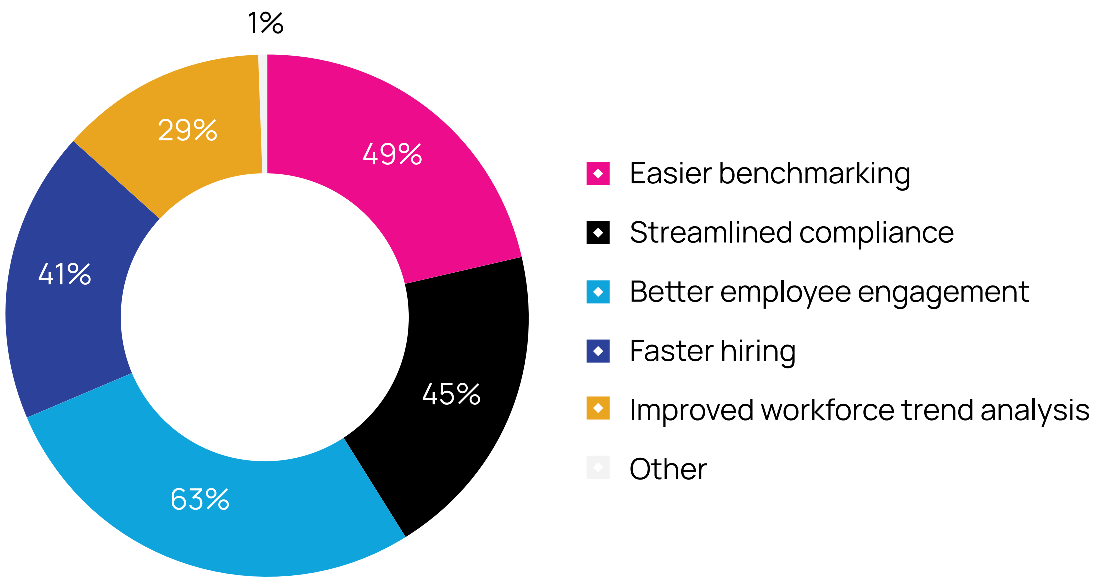
How is your firm using AI to support its clients?



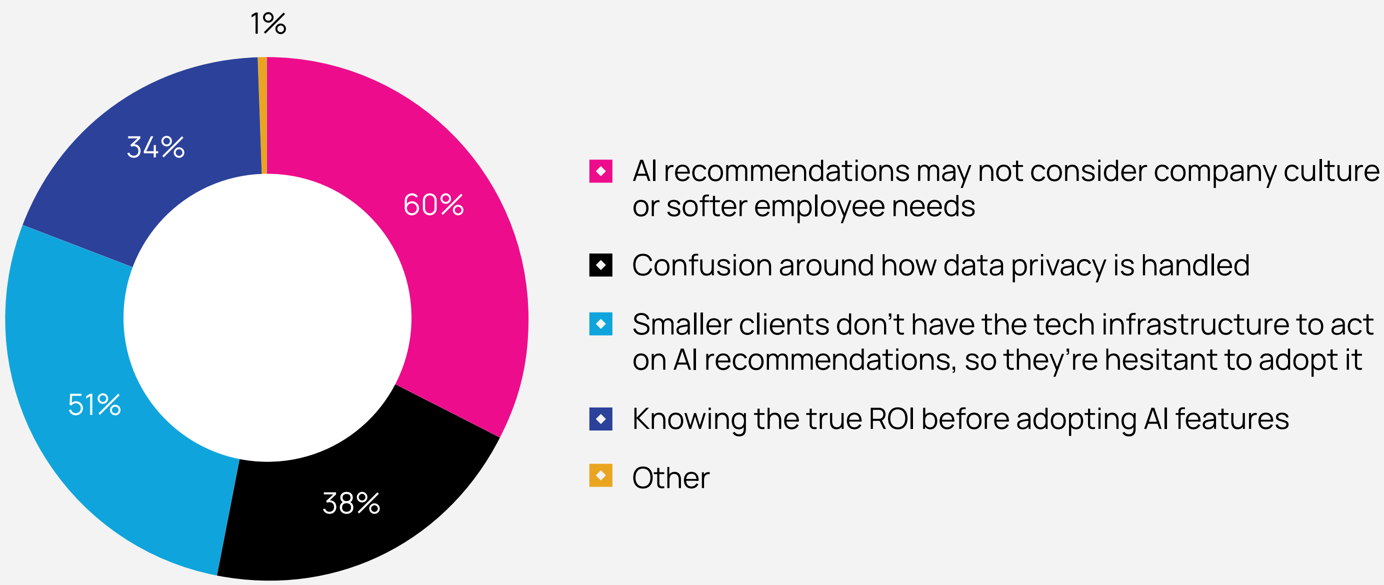
Still, the adoption of AI is not without hesitation. Although 60% of bankers say they feel very prepared to advise clients on AI-powered HR and benefits tools, nearly three-quarters (73%) express concern that advancements in AI and machine learning could eventually replace the need for human brokers in financial services. This is a broader industry reflection, but points to growing uncertainty around how automation could reshape trusted, relationship-driven advisory roles. This concern is further supported by 44% of the respondents who say they believe financial forecasting or investment strategy will be the part of their work most affected by AI over the next two years.

Digging deeper into AI concerns, 60% of bankers note being cautious about the quality of recommendations from the technology, which may fail to account for softer considerations like company culture or employee sentiment. Yet AI is still making a measurable impact. Bankers who have adopted AI tools report experiencing better employee engagement, suggesting that when used strategically, technology can enhance the human side of advising.

What benefits have been experienced with AI?



What concerns have been experienced with AI?



As clients continue to evolve, their expectations for advisors do too. The data shows clients are more frequently looking for strategic advice that extends beyond traditional financial services. In fact, 30% of bankers report half or more of their clients ask for HR or benefits technology recommendations. Many of these clients are measuring the impact of their tech investments through employee satisfaction surveys.

Despite this rising demand for tech-enabled solutions, 53% of bankers believe their businesses can grow without adding new software or services. Still, 37% acknowledge growth is slowing, hinting at a potential inflection point. With 34% saying strategic advice beyond traditional services along with recommendations for HR and HCM technology have become more common over the last year, bank advisors will need to evaluate whether strategic expansion is necessary to elevate their role within the advisory village.

GUIDANCE AT A GLANCE

Adapt & Act Now

If you're advisory business's growth is slowing, it's time to act. Look for quick-win services or AI-powered compliance tools to re-engage existing clients and attract new ones without overextending your internal team.

Which of the following client expectations have become more common?

When forming partnerships with HCM providers, bankers prioritize scalable technology, exceptional customer service and expert compliance guidance. This reflects both their operational needs and their clients' rising expectations. Above all, strong onboarding and support are essential, as advisors look to maintain personalized relationships while integrating increasingly sophisticated tools into their workflows. This is what bankers prioritize when evaluating whether an HCM vendor is referral-worthy:

1. **Partner support**
2. **Client experience**
3. **Compliance coverage**
4. **Reputation**
5. **Revenue potential**
6. **Integration ease**

While bankers are steadily expanding their advisory role by balancing financial expertise with growing client expectations, brokers bring a perspective that's rooted in deep benefits knowledge and frontline engagement with workforce needs.

Brokerages

Current-State Snapshot: Brokers

TYPICAL CLIENT BASE

Industry: Financial services	**Size:** 101-250 EEs	**Top Lead Source:** Digital marketing

TYPICAL CLIENT RELATIONSHIP

Top Service Provided: Health insurance	**Top Client Challenge:** Economic uncertainty	**Top Client Compliance Concern:** ERISA

BUSINESS CHALLENGES & OPPORTUNITIES

Top Challenge: Managing risk & maintaining compliance	**Top Opportunity:** Embracing AI & automation for personalized investment strategies	**Future Service Opportunity:** HSA, ACA reporting & commuter benefits

GUIDANCE AT A GLANCE

Turn AI into an Advantage

Use AI to automate compliance monitoring, surface benefit insights faster and respond to client demand for smarter tech recommendations. Partnering with HCM platforms that offer built-in AI capabilities can also help you deliver more value, scale your services and reinforce your advisory value.

State of Services

Brokers are playing an increasingly strategic role in benefits planning by offering a wide array of services. Health insurance, 401(k) retirement plans and workers' compensation are the most frequently provided services, reflecting brokers' expertise in compliance, financial security and risk mitigation. Next in line is FMLA and leave management, HCM technology recommendations, COBRA administration and HSAs. This broader service mix reflects how brokers are evolving to meet rising expectations for digital tools, regulatory guidance and employee wellbeing across the full benefits lifecycle.

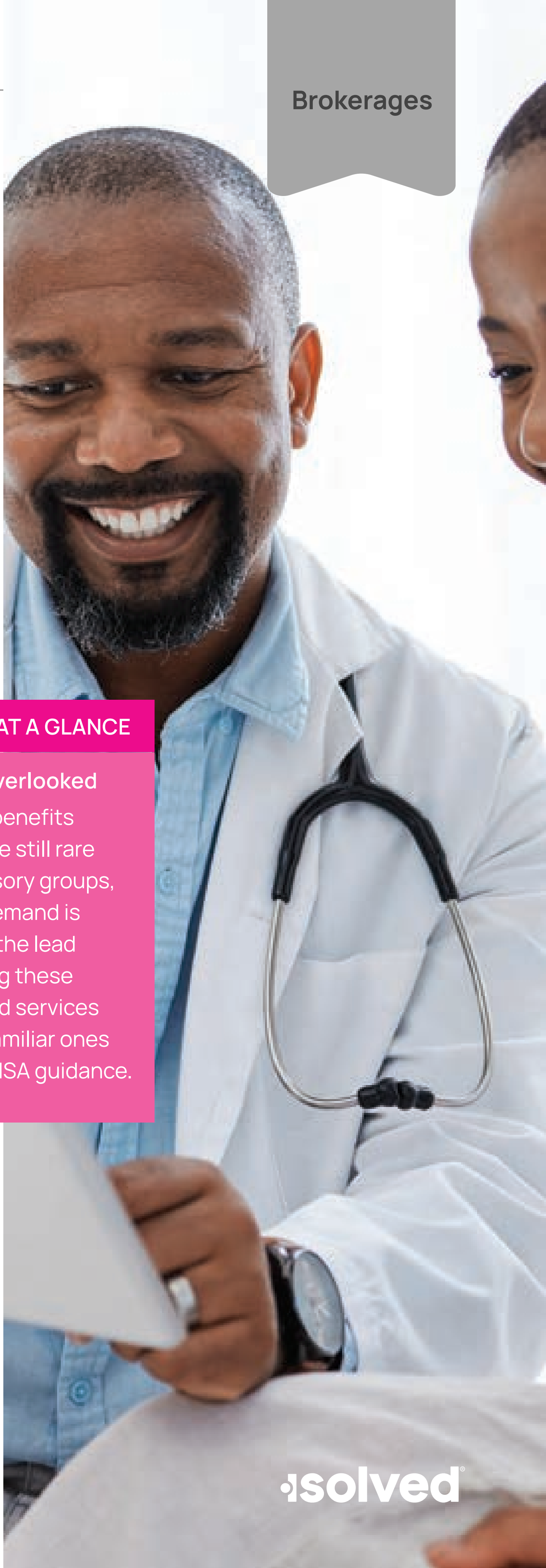
Moving into next year, brokers are showing intent to broaden support further, particularly across several emerging and compliance-driven services. The top solutions they plan to add range from HCM technology recommendations to FMLA/leave management support. Fifty-three percent say a lack of familiarity with providers is what has deterred them from offering FMLA and leave management support in the past.

As brokers expand offerings to meet evolving client expectations, they're doing so against a backdrop of economic uncertainty, which is the top challenge reported by their clients. In this environment, businesses are seeking cost-effective, compliant solutions that simplify workflows and provide fast returns. This places added importance on the relationships brokers maintain with the TPAs they work with.

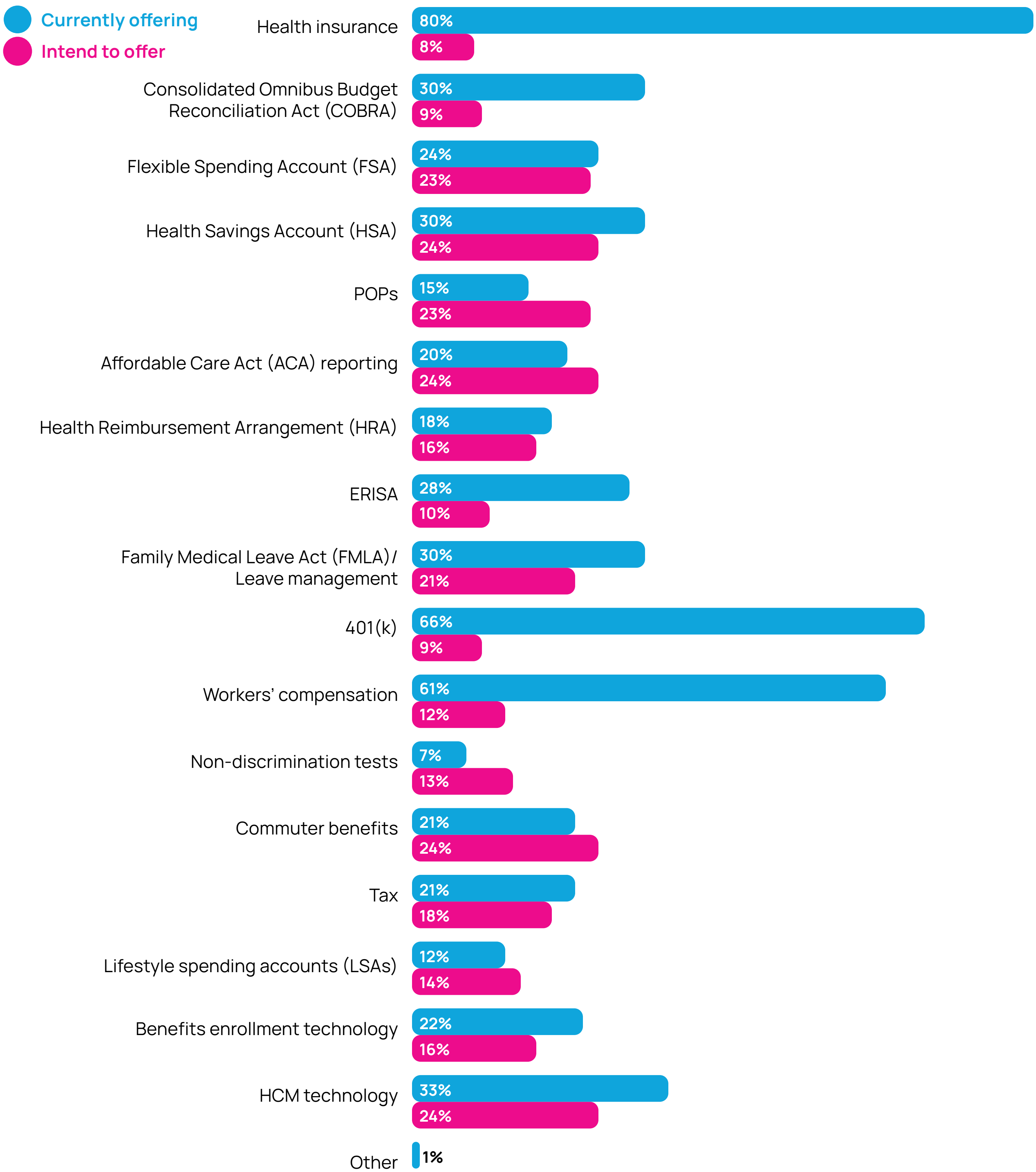
GUIDANCE AT A GLANCE

Offer the Overlooked

Commuter benefits and POPs are still rare across advisory groups, but client demand is rising. Take the lead by packaging these underutilized services with more familiar ones like ACA or HSA guidance.



What services are you currently offering your clients, or intend to offer in the next year?

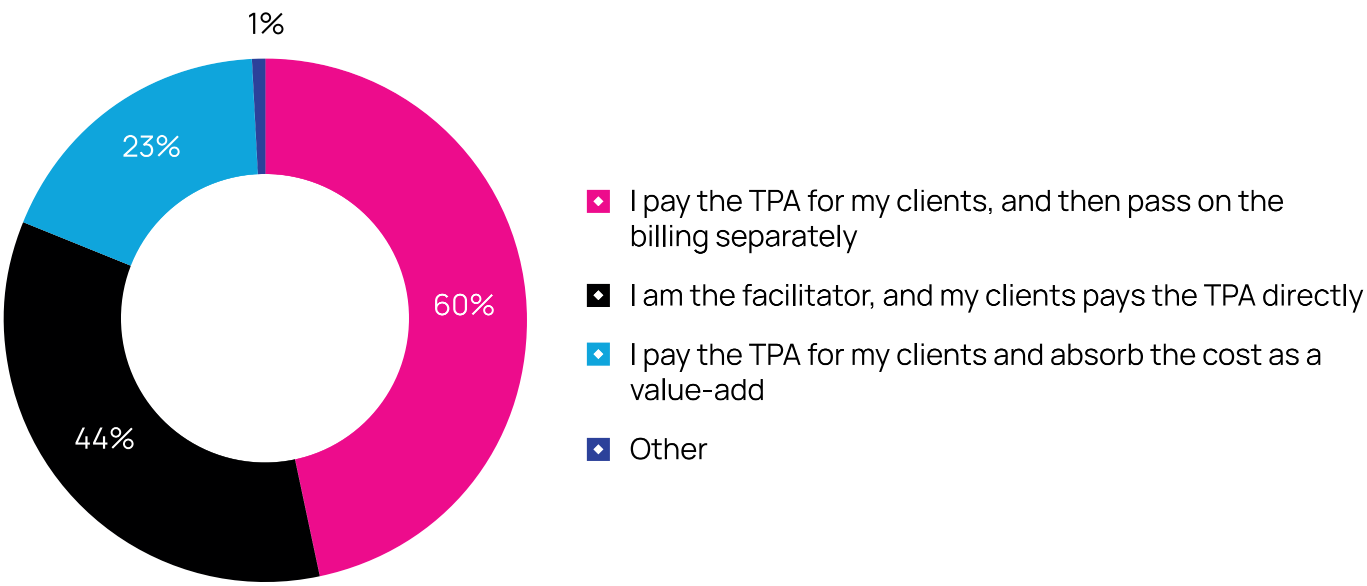


TPA Partnerships

When it comes to TPAs, brokers are taking a flexible approach to benefit and compliance services, with 62% using a combination of in-house and outsourced solutions. Only 22% rely solely on outsourcing, while 16% manage all services internally. This hybrid model enables scalable support across services that are complex to administer without dedicated resources.

Brokers are also playing a hands-on role. Sixty percent pay the TPA directly and pass on the cost to clients, while 42% go a step further and absorb the cost entirely. Additionally, 55% of brokers report they manage benefit and compliance services on their clients' behalf and communicate directly with the TPA.

How do you typically bill for benefit and compliance services?

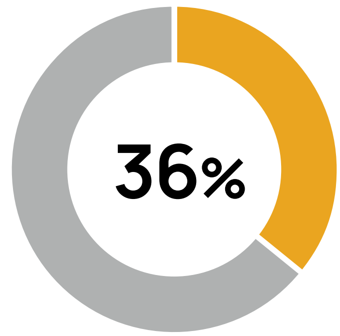


This level of involvement makes the selection of a TPA particularly important. Brokers prioritize exceptional customer service, a strong employee onboarding experience and expert compliance support—all of which directly impact the client experience. As brokers broaden their offerings and deepen their client relationships, TPAs remain central to delivering the back-end efficiency and compliance expertise that clients demand.

What Brokers Prioritize in TPAs

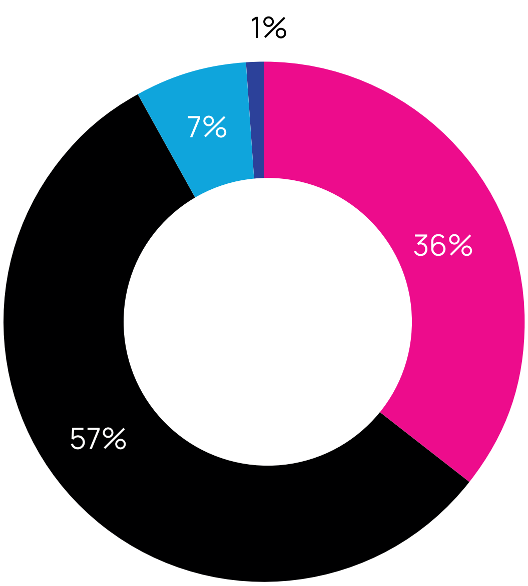
1. Exceptional customer service
2. Strong employee onboarding experience
3. Expert compliance guidance

Advisory Challenges & Opportunities



Thirty-six percent of brokers say their clients frequently request guidance outside of core services, driven by rising expectations around compliance, technology and EX. As such, they've identified several key opportunities to strengthen their value and future-proof their offerings (see page 33 for details). Interestingly, the top opportunity cited is embracing AI and automation for personalized investment strategies. This seems outside a broker's traditional scope, but may be more in line with using automation to deliver personalized benefits recommendations and streamline client workflows.

How often are clients asking for guidance outside of your traditional service areas?



- Frequently—this is becoming a regular part of our role
- Occasionally—it depends on the client
- Rarely—we stay in our lane
- Never—clients only engage us for our core offerings

Another top opportunity brokers identified is adapting to regulatory changes, which is a natural extension of their core role in helping clients stay compliant. The surveyed brokers also point to exploring sustainable investing strategies as a growth area—an indication that some may be broadening their lens, particularly in the context of employee benefits and socially responsible plan design.

Brokerages—Top Business Challenges

Ranked by Priority

1. Managing risk (tied)
1. Maintaining compliance (tied)
2. Navigating regulatory updates
3. Economic uncertainty

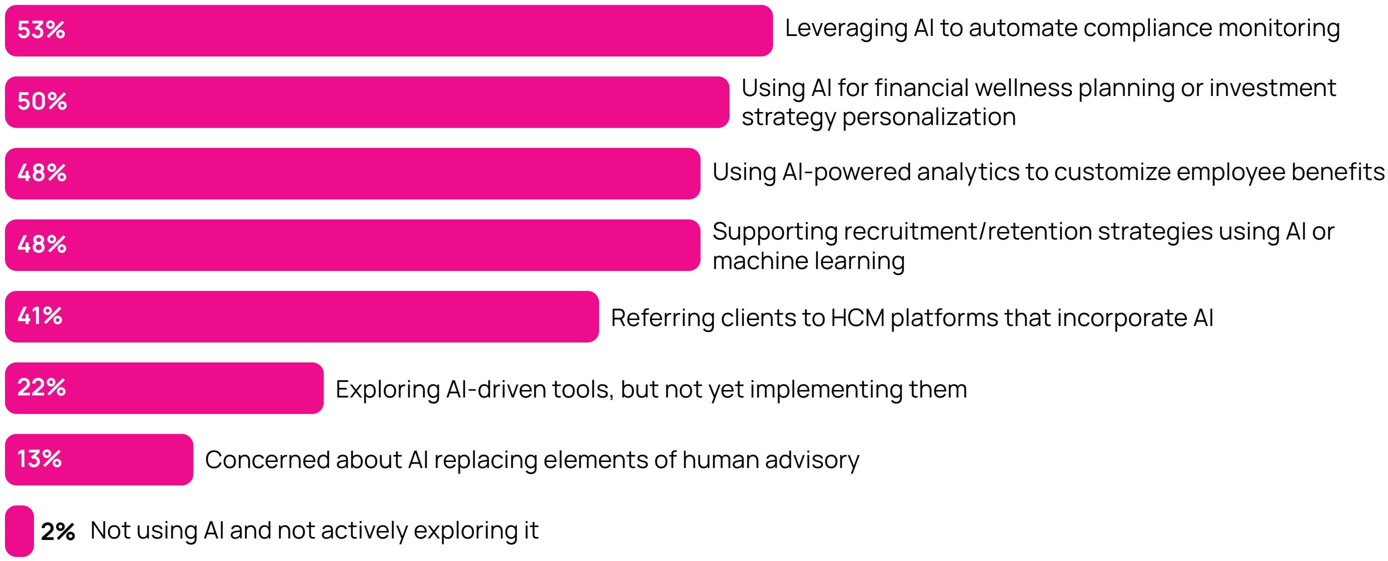
Brokerages—Top Business Opportunities

Ranked by Priority

1. Embracing AI and automation for personalized investment strategies
2. Adapting to regulatory changes for enhanced compliance
3. Exploring sustainable investing to meet evolving client demands (tied)
3. Leveraging digital transformation to enhance customer experience (tied)

The business challenges brokers are facing relate to the complexity of their evolving role. Top concerns include managing risk and maintaining compliance, both of which are important given what brokers are hearing from their clients. Many clients are worried about navigating complex, high-risk regulations like ERISA and COBRA. In response, **58% of brokers report an increase in demand for compliance support, alongside growing interest in HCM platforms and AI-enabled, data-driven benefits planning.** More than half of brokers say they're already using AI to automate processes, reduce administrative burden and improve accuracy.

How is your firm using AI to support its clients?



Brokers are beginning to use AI to support broader workforce goals too, especially as clients look for more integrated guidance. Nearly half are applying AI to personalized benefits planning, financial wellness strategies, and even talent recruitment and retention initiatives. Some of these areas sit outside brokers' traditional scope, which likely means they are already providing holistic, data-informed workforce guidance.

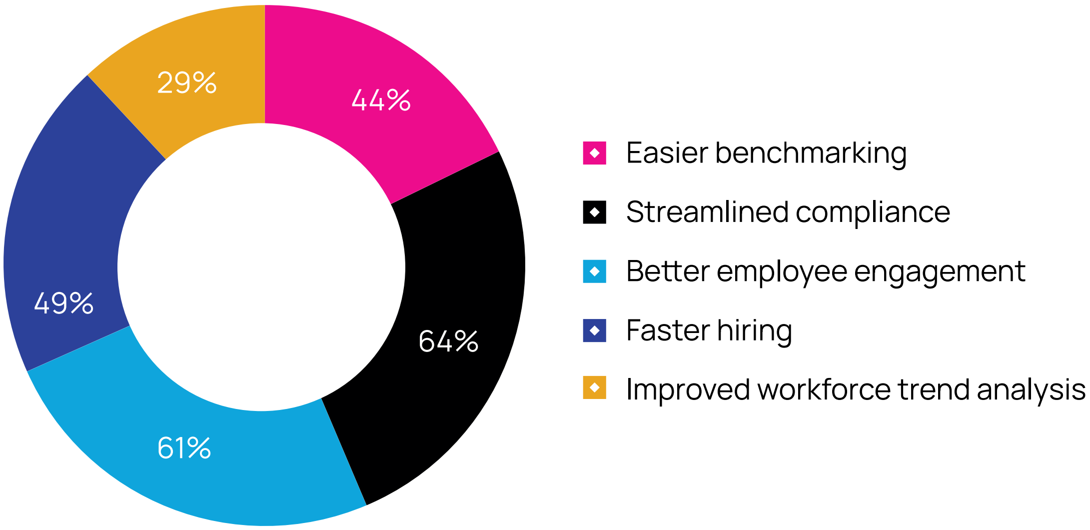
Brokers also note that AI is producing tangible results, citing streamlined compliance, better employee engagement and faster hiring as top benefits. Conversely, top challenges relate to tech infrastructure limitations among their client base, as well as the potential lack of human nuance in AI recommendations.

GUIDANCE AT A GLANCE

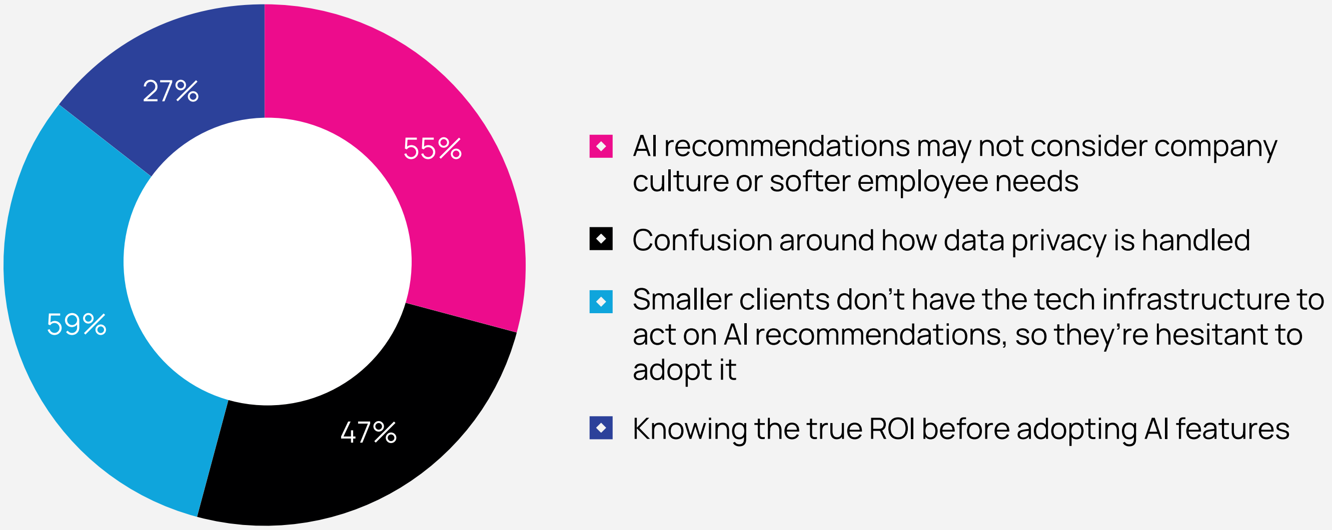
Skip the One-Size-Fits-All Approach

Elevate your value by curating AI-powered HCM solutions that align with your clients' individual compliance, benefits and workforce goals. Personalized enablement builds stickier partnerships.

What benefits have been experienced with AI?



What concerns have been experienced with AI?



With these concerns in mind, 47% of brokers say they're worried about how AI could eventually impact their role—expressing worries the technology might replace the need for human advisors in financial services. This may be one reason many are leaning in, with 53% saying they feel very confident in their ability to advise clients on AI-powered tools. Interestingly, 30% believe that financial forecasting will be the aspect of their advisory work most affected by AI in the next two years. This may indicate wider uncertainty about how AI could reshape support of personalized benefit experiences or contribute to broader workforce strategies.

Adding to the complexity is a sharp focus on rising healthcare costs, which brokers identify as the top trend expected to impact their business over the next three years. This concern is pushing firms to revisit how they deliver value, not only through cost-containment strategies, but also tools that improve benefit experiences and help clients retain talent in competitive markets.

Considering these pressures, brokers are still seeing new expectations from their clients. In fact, 46% say that insights on AI tools and automation trends have become one of the most common client requests over the past year.

Which of the following client expectations have become more common?

When it comes to how clients are measuring the success of their HR and benefits investments, the top way is with employee satisfaction surveys, followed by healthcare claims data and hiring success.

To expand their book of business, brokers need to focus on meeting client expectations. While 39% believe they're already optimized for growth, 54% say growth is slowing without new tools or services.

Another sign that brokers should expand their advisory role? A quarter say at least half of their current clients ask for HR or benefits technology recommendations. When selecting HCM partners to refer, brokers are guided by more than just product features. Although innovation is the most important capability brokers look for in an HCM partner, this is what they prioritize when determining whether a vendor is referral worthy:

1. **Client experience**
2. **Partner support**
3. **Compliance coverage**
4. **Revenue potential**
5. **Reputation**
6. **Integration ease**

In a time of accelerating change, the ability to evolve and help clients do the same may be the clearest differentiator brokers can offer. But they're not alone in this adaptive mindset. Consulting service providers are also stepping into expanded roles, delivering tailored strategies that span financial, benefits, compliance and even technology transformation.

Consulting Service Providers

Current-State Snapshot: Consulting Service Providers

TYPICAL CLIENT BASE

Industry:	Size:	Top Lead Source:
Professional & business services	25 EEs or Less	Referrals

TYPICAL CLIENT RELATIONSHIP

Top Service Provided:	Top Client Challenge:	Top Client Compliance Concern:
Health insurance	Economic uncertainty	FMLA

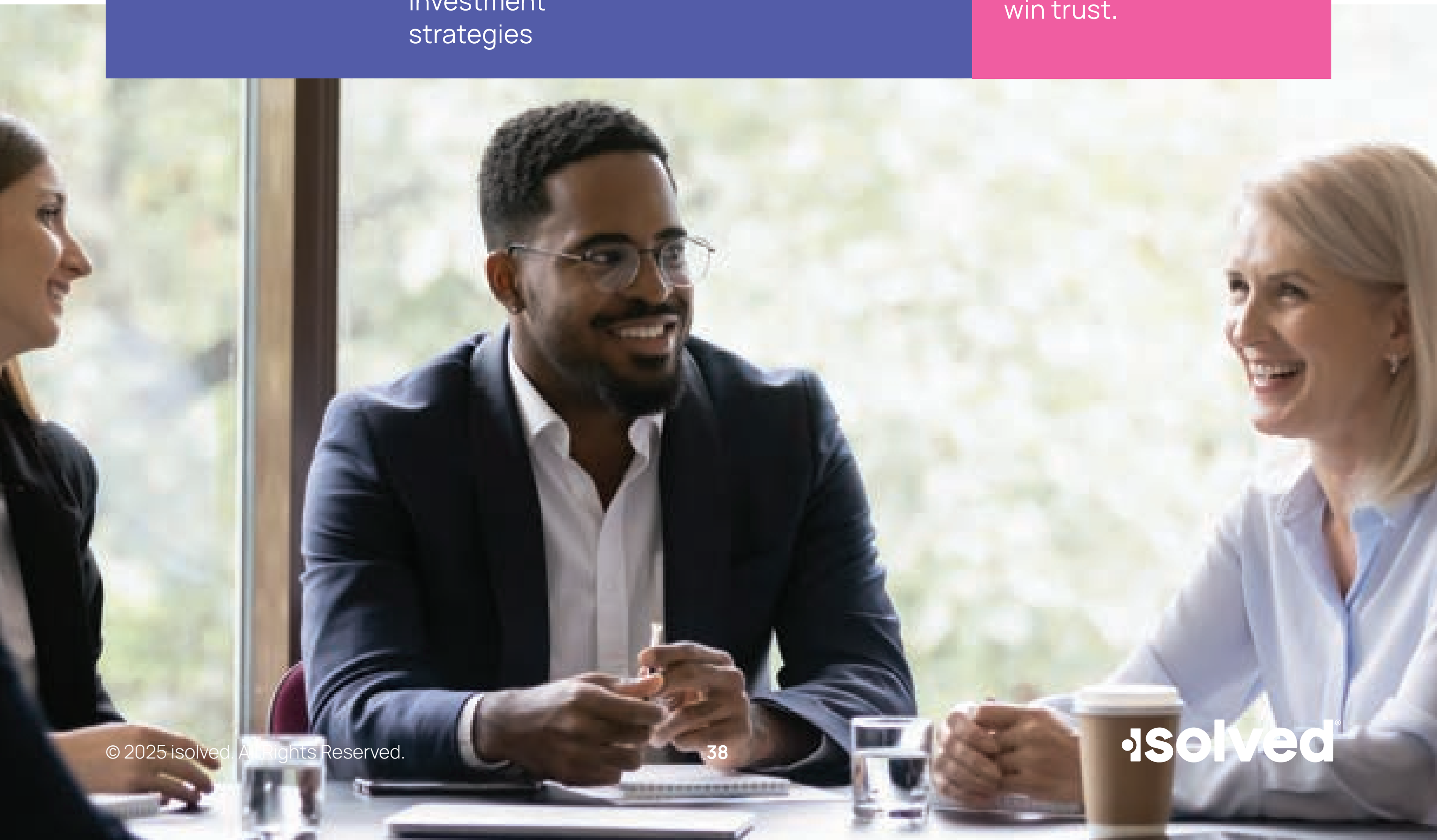
BUSINESS CHALLENGES & OPPORTUNITIES

Top Challenge:	Top Opportunity:	Future Service Opportunity:
Economic uncertainty	Embracing AI & automation for personalized investment strategies	FMLA/leave management

GUIDANCE AT A GLANCE

Deliver Quick ROI

When economic pressure is high, decision-makers prioritize solutions that deliver fast, visible impact. To stand out, recommend tech partners that simplify workflows and demonstrate value in months, not years. Platforms that collapse complexity and prove return on investment quickly will help you win trust.



State of Services

Consulting service providers are adapting to meet a broader set of client needs, starting with benefits strategy. Today, they're most likely to provide support for HCM technology, health insurance and 401(k). These services often anchor consulting engagements, providing value through compliance support, vendor selection, strategic planning and employee education.

Looking ahead, consultants are signaling interest in expanding their services to keep pace with evolving client demands. While a significant portion of our respondents selected the "other" category when asked about services they plan to offer over the next 12 months, write-in responses revealed an array of priorities, from career development to small business advisory services. This points to the adaptability of consultants and their willingness to deliver more specialized, cross-functional support as part of their clients' advisory village.

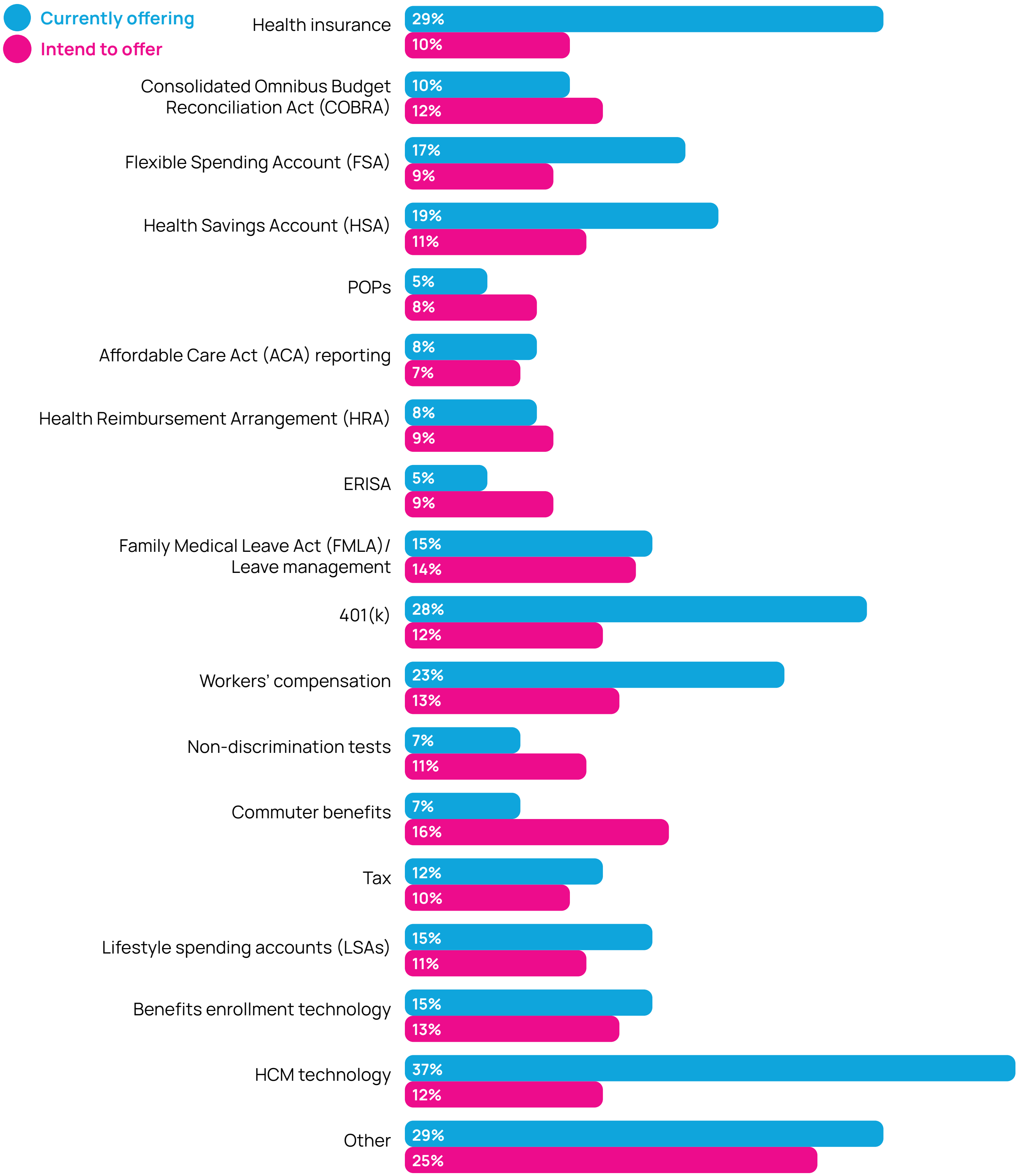
GUIDANCE AT A GLANCE

Let Clients Shape Your Support

Return-to-office transitions and regulatory changes are driving demand for services like commuter benefits and FMLA. Lean into those signals. By adding what clients already need, you position yourself as proactive, not reactive.

In addition to custom offerings, 16% of consultants plan to add commuter benefits, addressing client needs related to return-to-office strategies and urban workforce challenges. Meanwhile, 14% intend to offer FMLA/leave management services. Notably, 46% of consultants who haven't offered FMLA/leave management in the past cited a lack of familiarity with providers as a key barrier. As provider ecosystems grow and knowledge gaps close, consultants have an opportunity to expand into this space, which will strengthen their value as strategic partners.

What services are you currently offering your clients, or intend to offer in the next year?

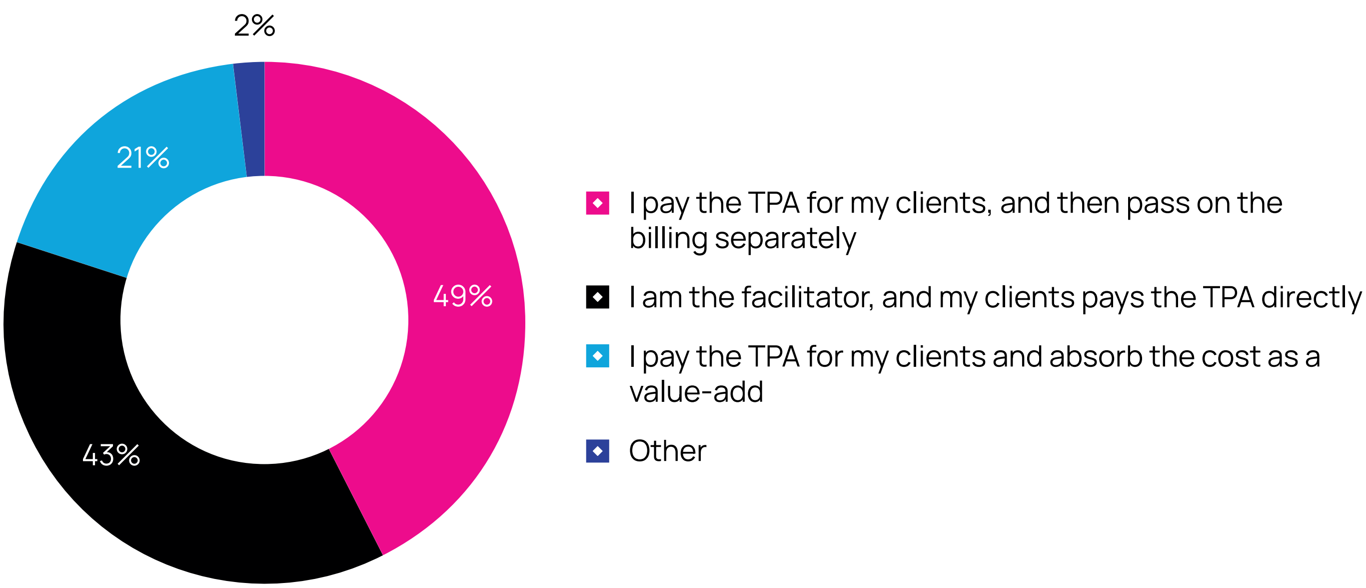


TPA Partnerships

As consultants broaden their offerings, the operational model behind service delivery is just as varied and strategic. Thirty-nine percent take a hybrid approach, both outsourcing and maintaining their benefit and compliance services in-house. This allows for flexibility, leveraging external expertise while retaining core competencies internally. That said, 33% keep all services in-house, ensuring full control over delivery and client experience, and 28% fully outsource these functions.

Structure of payment also varies. Nearly half of consultants handle TPA payments themselves and pass the bill on to clients, maintaining financial transparency while managing the vendor relationship. Forty-three percent act as facilitators, with the client paying the TPA directly, which can streamline billing but requires clear communication across all parties.

How do you typically bill for benefit and compliance services?



In terms of day-to-day client interactions, most consultants describe themselves as the primary administrator of benefits and compliance services via a TPA, serving as the main point of contact for clients. In this model, clients bring questions and issues directly to the consultant, who then works with the TPA on the client's behalf.

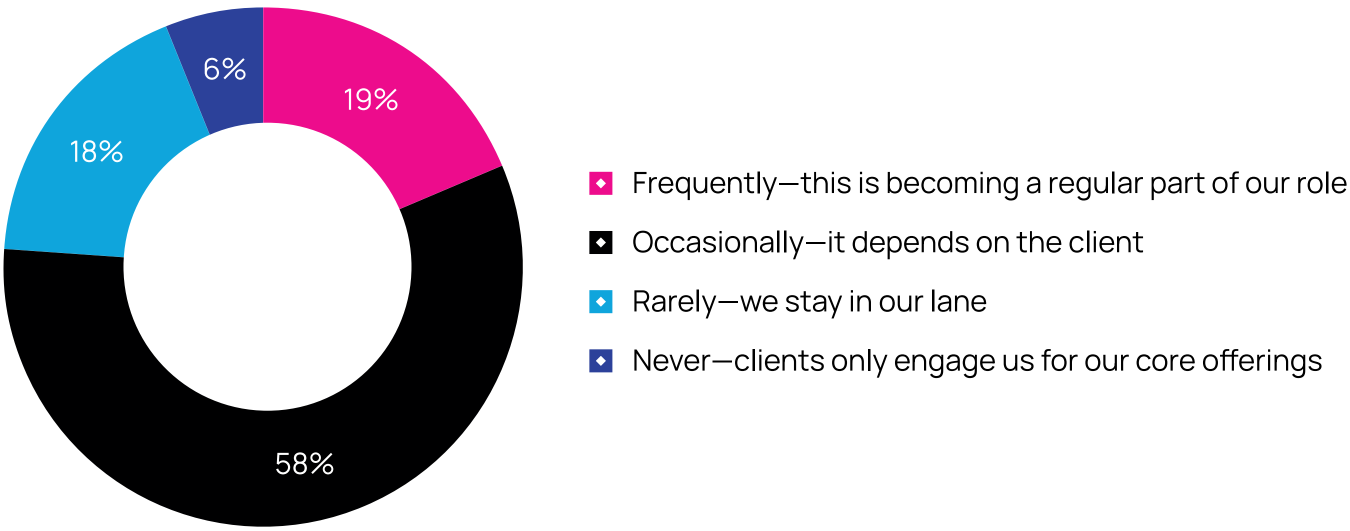
What Consultants Prioritize in TPAs

1. Exceptional customer service
2. Expert compliance guidance
3. Seamless implementation

When looking at what consultants prioritize when selecting a TPA partner, the top factors are exceptional customer service, expert compliance guidance and seamless implementation—all of which enable consultants to confidently extend their service offerings while ensuring a positive experience for both their clients and end users.

The emphasis on strong partnerships is especially important as consultants begin to field new client requests. While only 19% of consultants say they are frequently asked for guidance outside their traditional service areas, 58% report these requests do happen occasionally. As clients face increasingly complex business challenges, consultants who offer flexible support will be better positioned to deepen relationships and drive long-term value.

How often are clients asking for guidance outside of your traditional service areas?



Advisory Challenges & Opportunities

As consultants continue to take on more dynamic roles, they're facing a familiar mix of challenges and opportunities. The top challenge for both consultants and their clients is economic uncertainty. Alongside that, consultants are working to grow their book of business and retain clients in an increasingly competitive environment.

These same pressures are creating space for new opportunities. Consultants say the top area of opportunity ahead is with AI and automation for personalized investment strategies. This signals growing interest in helping clients use data and AI-driven tools to make smarter, more tailored business decisions. Other opportunities include exploring sustainable investing to align with evolving client values and leveraging digital transformation to enhance the customer and employee experience. Both priorities highlight a shared vision among consultants to expand their influence and adapt to shifting workforce and business expectations.

Consulting Service Providers—Top Business Challenges

Ranked by Priority

1. Economic uncertainty
2. Growing our book of business
3. Retaining clients

Consulting Service Providers—Top Business Opportunities

Ranked by Priority

1. Embracing AI and automation for personalized investment strategies
2. Leveraging digital transformation to enhance customer experience (tied)
2. Exploring sustainable investing to meet evolving client demands (tied)
3. Adapting to regulatory changes for enhanced compliance

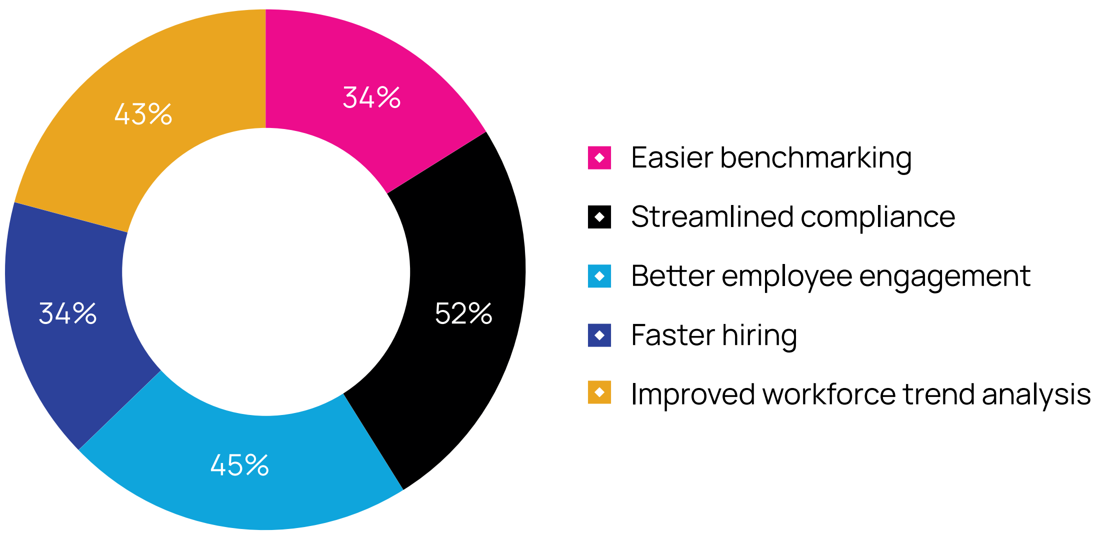
Technology continues to play a central role in how consultants meet expectations. While 46% believe their business might grow without adding new software or services, 17% say adopting new tools is essential for scaling. This makes sense, as 16% report more than half of their clients are actively asking for technology recommendations for HR and benefits. Likewise, 33% of consultants have seen higher client expectations for strategic advice outside of traditional service areas in the last year. Interest in AI and automation has also grown significantly, with more clients seeking insights into how these tools can be used in HR and benefits.

Which of the following client expectations have become more common?

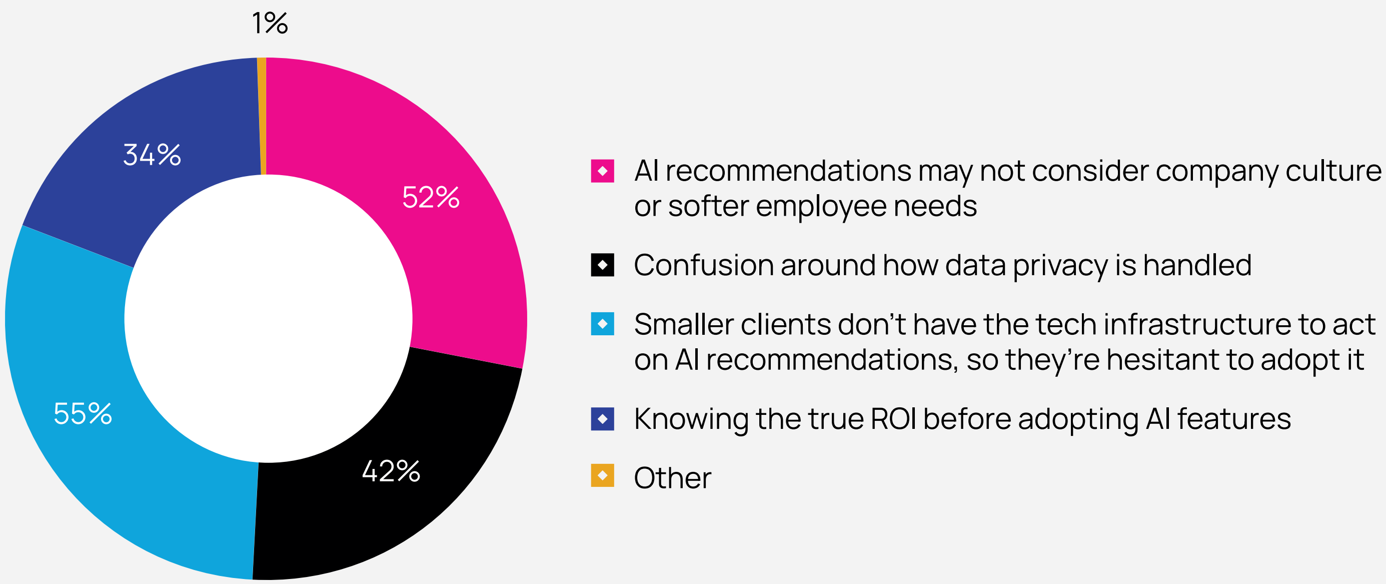
Looking ahead, 58% of consultants believe AI and automation is the trend that will have the greatest impact on their business over the next three years. Despite that, only 33% feel very confident advising clients on AI-powered HR and benefits tools, suggesting a possible readiness gap. Compliance tracking and reporting is seen as the area most likely to be transformed by AI, and many consultants are already seeing the benefits of tools that simplify these traditionally complex tasks.

Still, the promise of AI is not without trepidation. Fifty-eight percent of consultants are concerned advancements in AI and machine learning could eventually reduce the need for human brokers. Consultants also have concerns that smaller businesses lack the infrastructure needed to act on AI insights. This perception often doesn't represent reality because many AI solutions are built for accessibility. However, when it comes to the benefits of AI, consultants say they've seen the biggest advantages in streamlining compliance.

What benefits have been experienced with AI?

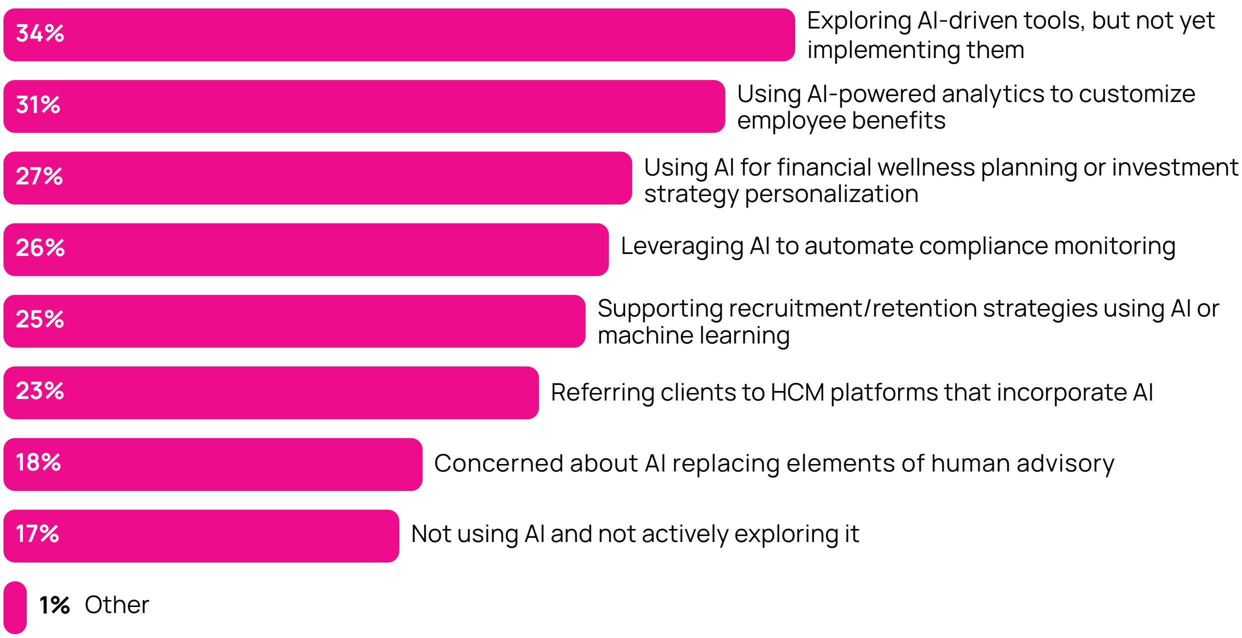


What concerns have been experienced with AI?



In terms of overall AI adoption, 34% of consultants say they're exploring solutions but not implementing them yet. What's more, 17% aren't even exploring the technology. Even so, the direction is clear: demand for AI expertise is rising, and so is the expectation that consultants will be ready to guide their clients through what's next.

How is your firm using AI to support its clients?



In addition to AI, compliance is also top of mind. FMLA management emerged as a top concern for clients, shaping the kinds of solutions and guidance they now expect from their consultants. In this environment, consultants who can unite technological fluency with regulatory knowledge are best positioned to deliver measurable value and sustain client trust.

When evaluating the impact of HR and benefits investments, consultants say their clients most often point to employee retention as the clearest indicator of success. It's a signal that people strategies are resonating, and that the right employees are staying engaged and supported.

GUIDANCE AT A GLANCE

Track Retention as a Strategic Metric

Retention is the top metric clients use to measure the success of their HR and benefits investments. Make it part of your consulting playbook by building retention benchmarks into service evaluations and use them to guide strategy, identify pain points and validate results for your clients.

This performance mindset also shapes how consultants choose HCM providers to partner with. The top priority is competitive, transparent pricing. Cost clarity sets the foundation for trust and gives clients confidence that their partner understands the pressures they face. When it comes to what makes an HCM vendor referral worthy, consultants are prioritizing the following:

1. **Client experience**
2. **Reputation**
3. **Compliance coverage**
4. **Revenue potential**
5. **Partner support**
6. **Integration ease**

These priorities echo a broader trend that clients are raising the bar for all professional service providers. It's no longer just about functionality. It's about trust, results and strategic alignment. Financial advisory firms are facing similar pressures as clients seek out more value-driven relationships.

Financial Advisory Firms

Current-State Snapshot: Financial Advisory Firms

TYPICAL CLIENT BASE		
Industry: Financial services	**Size:** 251-500 EEs	**Top Lead Source:** Digital marketing
TYPICAL CLIENT RELATIONSHIP		
Top Service Provided: 401(k)	**Top Client Challenge:** Economic uncertainty	**Top Client Compliance Concern:** ERISA
BUSINESS CHALLENGES & OPPORTUNITIES		
Top Challenge: Growing book of business	**Top Opportunity:** Embracing AI & automation for personalized investment strategies	**Future Service Opportunity:** FMLA/leave management

GUIDANCE AT A GLANCE

Win with Wellness

Start using AI where it matters most to your clients: financial wellness. Leverage tools that personalize planning, optimize HSAs and surface data-backed insights. As client expectations shift, delivering smarter guidance in this space differentiates your firm, strengthens retention and increases long-term value.

State of Services

Financial advisory firms have traditionally focused on core employee benefit services that align with the long-term financial well-being of their clients' workforces. The most commonly provided service is 401(k) retirement plans, followed by health insurance and HSAs. These offerings are foundational to a comprehensive benefits strategy and are particularly relevant to the mid-sized businesses that make up financial advisors' client lists.

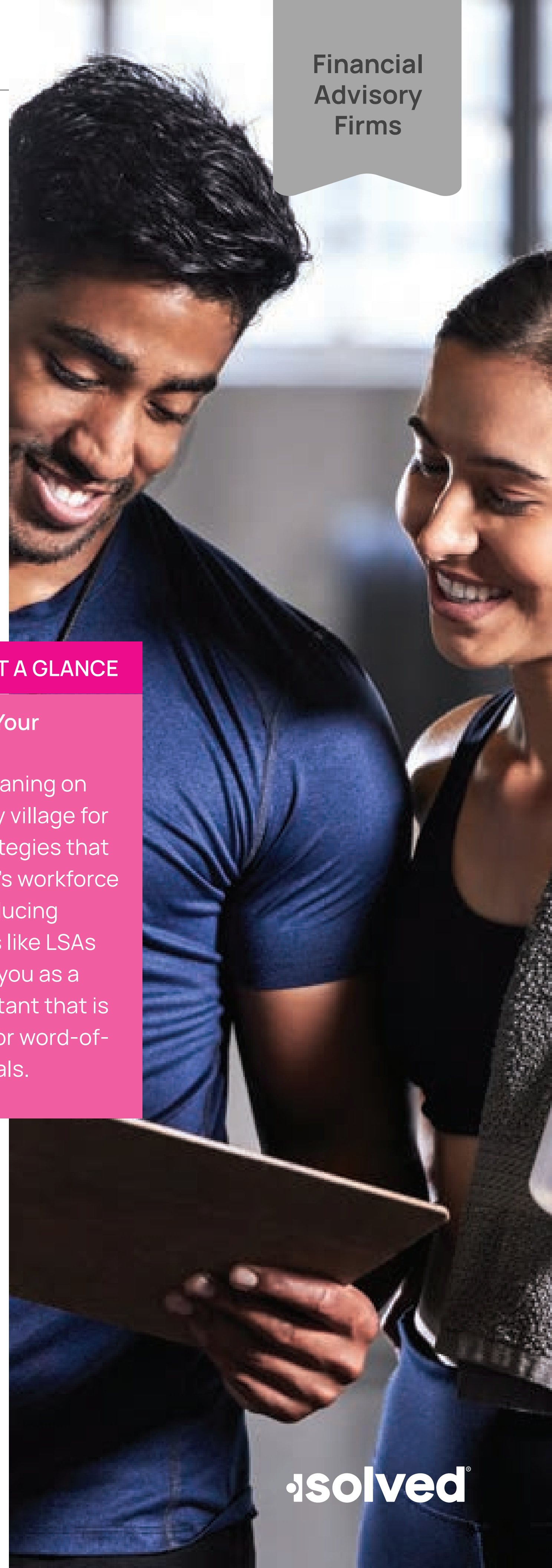
That said, financial advisors are expanding their scope to meet evolving client needs and workforce expectations. Many are intending to introduce FMLA/leave management, LSAs and commuter benefits into their service portfolios over the next year.

When it comes to FMLA/leave management, the primary barrier to offering this service in the past has been both a lack of familiarity with the service itself as well as potential providers. As awareness grows, financial advisory firms are increasingly positioned to bridge this gap, helping employers navigate compliance requirements while supporting employee well-being.

GUIDANCE AT A GLANCE

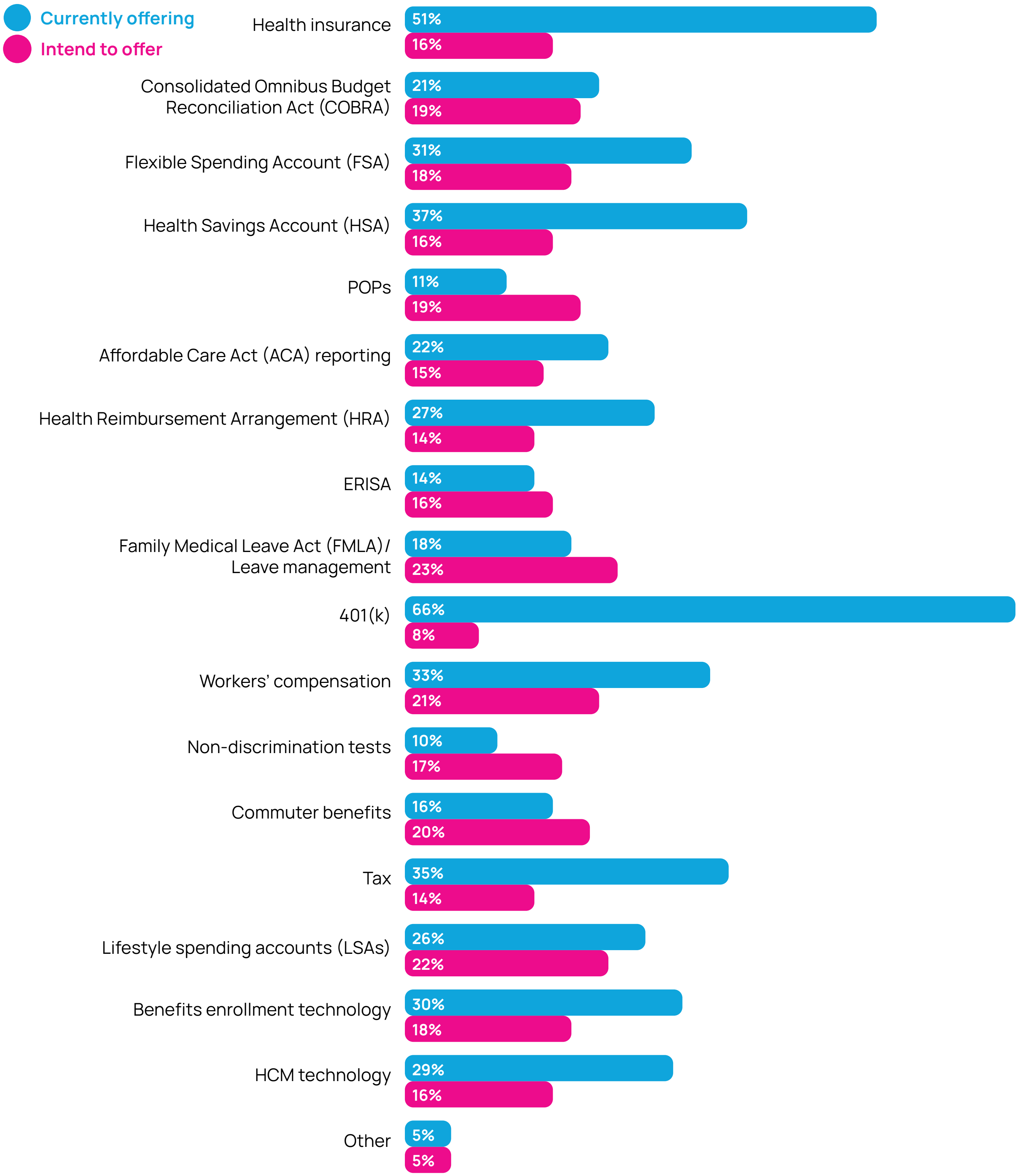
Strengthen Your Reputation

Clients are leaning on their advisory village for benefits strategies that reflect today's workforce needs. Introducing flexible perks like LSAs can position you as a go-to consultant that is top of mind for word-of-mouth referrals.



Financial Advisory Firms

What services are you currently offering your clients, or intend to offer in the next year?

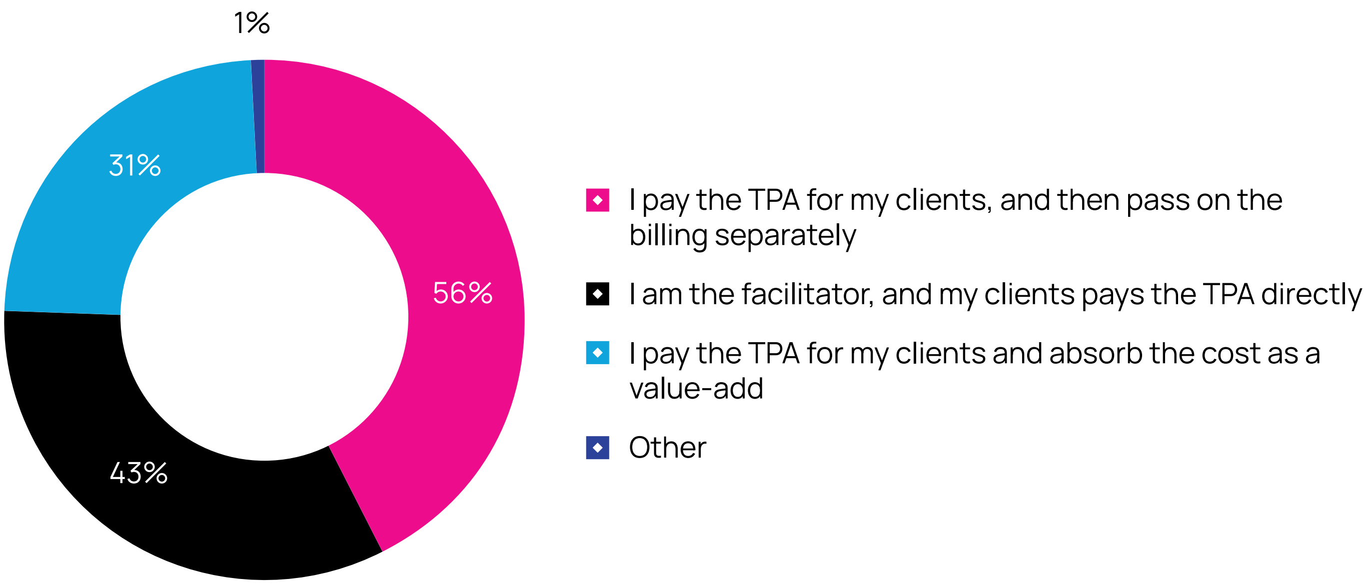


TPA Partnerships

As the scope of financial advisory services expands, TPAs are playing a pivotal role in helping firms scale benefit and compliance offerings. While just under a quarter of advisors keep these services entirely in house, 46% adopt a hybrid model—outsourcing some tasks while retaining others. Thirty-one percent are fully outsourcing, pointing to a growing reliance on TPA partnerships to meet client needs efficiently and compliantly.

Financial advisors are also more than just intermediaries in this equation. Over half report acting as the primary point of contact between their clients and the TPA, fielding questions directly and facilitating communication. The billing model reinforces this active role, with 56% of advisors paying the TPA and passing the cost to clients, while 31% absorb the expense as a value-added service.

How do you typically bill for benefit and compliance services?

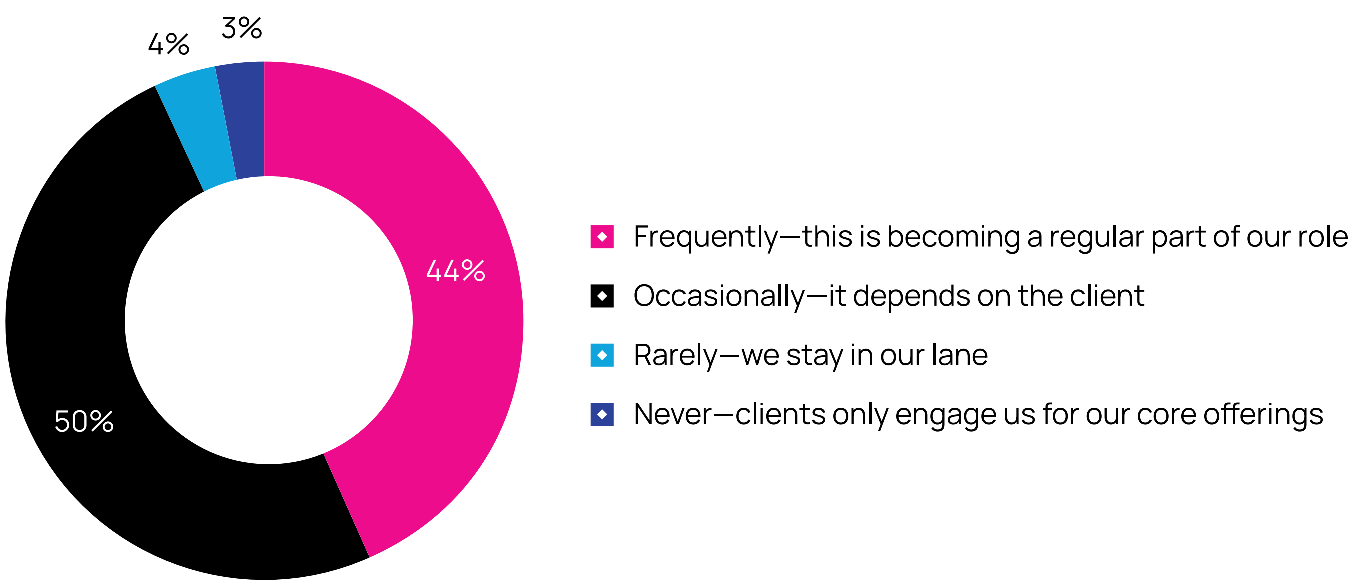


When evaluating TPA partnerships, financial advisors prioritize three core capabilities: expert compliance guidance, exceptional customer service and a seamless employee onboarding experience. As the lines between financial, benefits and compliance guidance continue to blur, the expectations are growing. Half of advisors say their clients occasionally seek help beyond the advisor's traditional role, while 44% say this happens frequently. As demands diversify, advisory firms are being pushed to redefine the limits of their partnerships and their own value proposition within a client's advisory village.

What Financial Advisors Prioritize in TPAs

1. Expert compliance guidance
2. Exceptional customer service
3. Strong employee onboarding experience

How often are clients asking for guidance outside of your traditional service areas?



Advisory Challenges & Opportunities

With clients seeking varied guidance, it makes sense that 43% of financial advisors say the expectation for strategic advice beyond traditional services has become more common over the last year. In fact, 27% of financial advisors report more than half of their clients ask for HR and benefits technology recommendations. With advisory relationships deepening, the most successful firms are those that meet their clients where they are, not just where they've been.

Which of the following client expectations have become more common?

Of course, business growth isn't without its challenges. For financial advisors the top three hurdles are expanding their book of business, navigating economic uncertainty and retaining existing clients. These pressures align with the concerns of their clients, who say economic instability is their biggest challenge, followed by risk management and the need to grow. This alignment creates a unique opportunity for firms to provide solutions that resonate with both parties.

Financial Advisory Firms—Top Business Challenges

Ranked by Priority

1. Growing our book of business
2. Economic uncertainty
3. Retaining clients

Financial Advisory Firms—Top Business Opportunities

Ranked by Priority

1. Embracing AI and automation for personalized investment strategies
2. Adapting to regulatory changes for enhanced compliance (tied)
2. Offering HCM technology to my clients (tied)
3. Exploring sustainable investing to meet evolving client demands

Compliance also remains a priority, especially when it comes to ERISA, COBRA and FMLA regulations—areas that demand both deep expertise and proactive management. With compliance concerns there's a growing interest in benefits cost control strategies. These shifts are changing the nature of the services clients are seeking from their financial advisors, prompting firms to refine their offerings and deepen their compliance knowledge.

Technology also continues to be a lever when it comes to growth. While 55% of financial advisors believe they can grow their business without additional software or services, 36% acknowledge growth is slowing under current conditions. Many are turning to AI and automation to enhance what they already offer. In fact, 61% of financial advisors believe AI and automation is the trend that will have the greatest impact on their services in the next two to three years. This also aligns with financial advisors saying embracing AI and automation for personalized investment strategies is their biggest business opportunity over the next year.

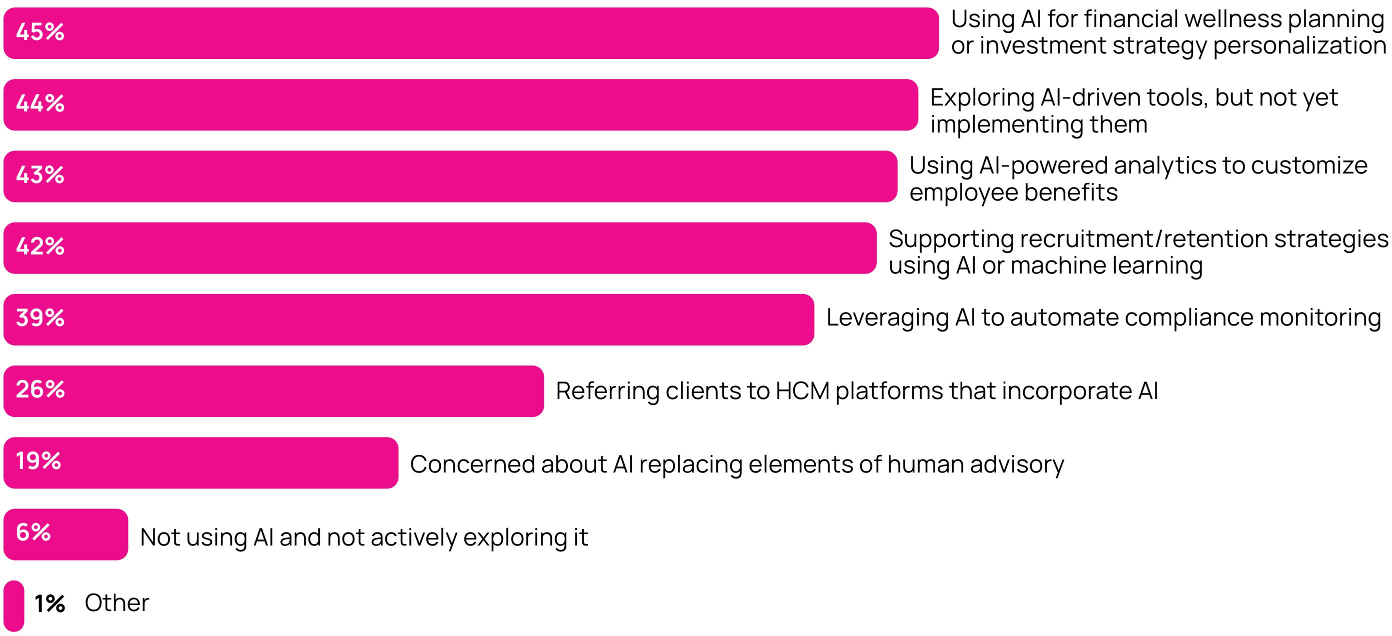
GUIDANCE AT A GLANCE

Offer Compliance Support Clients can Count On

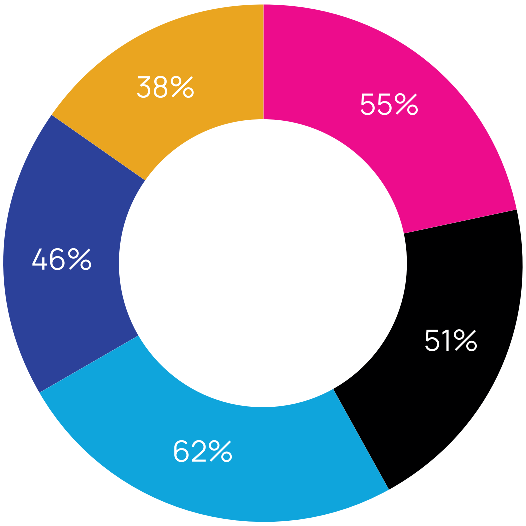
ERISA, COBRA and FMLA are top compliance concerns. Strengthen your advisory role by referring HCM platforms that combine expert services with compliance-ready tech. It's a simple way to meet evolving needs and reinforce trust.

Advisory firms are already putting AI to use in several ways: 45% apply it to financial wellness and personalized investment strategies, 44% are actively exploring AI tools and 43% are using AI-powered analytics to tailor employee benefits. The top benefit they're seeing? Improved employee engagement. However, enthusiasm is tempered by caution, with 65% of advisors expressing concern that AI could eventually replace human brokers, and many worry that algorithmic recommendations may fail to account for company culture and employee sentiment.

How is your firm using AI to support its clients?

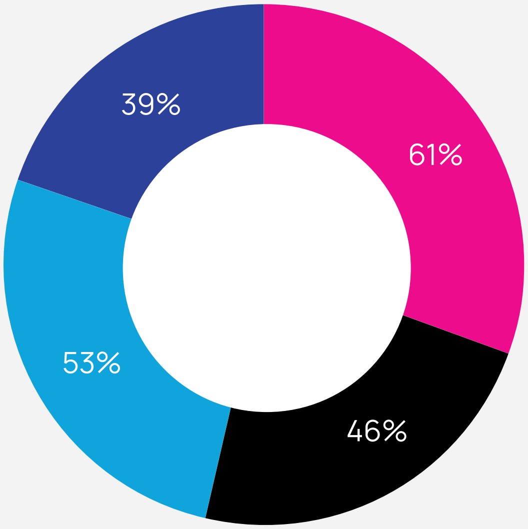


What benefits have been experienced with AI?



- Easier benchmarking
- Streamlined compliance
- Better employee engagement
- Faster hiring
- Improved workforce trend analysis

What concerns have been experienced with AI?



- AI recommendations may not consider company culture or softer employee needs
- Confusion around how data privacy is handled
- Smaller clients don't have the tech infrastructure to act on AI recommendations, so they're hesitant to adopt it
- Knowing the true ROI before adopting AI features

Despite concerns, confidence is growing. Financial advisors lead all advisory groups in their self-assessed ability to guide clients on AI-powered HR and benefits tools, with 65% saying they feel "very confident." As clients continue to evaluate their HR and benefits investments, retention and employee satisfaction surveys are what most are looking to when gauging success.

As the responsibilities of financial advisors expand, so do the expectations placed on the partners they recommend. For clients navigating a complex regulatory landscape, the most important capabilities in an HCM partner are clear: a seamless user experience and deep compliance and regulatory expertise.

When determining if an HCM provider is referral worthy, this is the criteria financial advisors prioritize:

1. **Client experience**
2. **Partner support**
3. **Compliance coverage**
4. **Revenue potential (tied)**
5. **Reputation (tied)**
6. **Integration ease**

As such, financial advisory firms are continuing to expand their influence across compliance, benefits and workforce strategy, uniquely positioning their firms to shape the future of people-first planning.

From Services to Strategy: Powering the Advisory Village

The advisory landscape is undergoing a transformation. Whether working as consultants, brokers, accountants or financial advisors, today's professionals are stepping into broader, more strategic roles that go far beyond traditional support. As client expectations evolve, so too must the definition of value. Advisory services are no longer just about transactions. They're about building lasting partnerships that shape workforce strategy, compliance readiness and business growth.

This research shows that HR leaders and business decision-makers want results they can measure, insights they can trust and partners who help them navigate through complexity. They're looking to their advisory village for cross-functional support when it comes to compliance, technology and people strategy.

Advisors that recognize and embrace this shift will stand out not just by what they offer, but by how they show up to guide transformation and amplify impact. In a world that demands agility and alignment, being part of the advisory village means showing up not just as a vendor, but as a collaborator for the future of work.

Methodology

This Advisory Services Research report analyzes the responses of 1,000 advisors, with 200 respondents each in the following categories:

- Accounting Firms
- Banks
- Brokerages
- Consulting Service Providers
- Financial Advisory Firms

Each respondent is based in the United States. For any questions about the survey or our findings, please contact brand@isolvedhcm.com. The survey was conducted in July 2025.

* Numbers in the graphics may not add up to 100% due to rounding to whole figures.

* Some language in this content was supported by an enterprise large-language model. All data and quotes were verified by a human editor.

About isolved

isolved is a provider of human capital management (HCM) solutions that help organizations recruit, retain and elevate their workforce. More than 195,000 employers and 8 million employees rely on isolved's software and services to streamline human resource (HR) operations and deliver employee experiences that matter. isolved People Cloud™ is a unified yet modular HCM platform with built-in artificial intelligence (AI) and analytics that connects HR, payroll, benefits, and workforce and talent management into a single solution that drives better business outcomes. Through the Sidekick Advantage™, isolved also provides expert guidance, embedded services and an engaged community that empowers People Heroes™ to grow their companies and careers. Learn more at www.isolvedhcm.com.

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