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NAB PROFESSIONAL SERVICES

The Performance Era: A new age of growth

The growth strategies covered

- 01 People
- 02 Acquisitions
- 03 Succession planning
- 04 Diversification
- 05 Technology and systems

Foreword



Almost three-quarters (73%) of professional services firms expect to grow their business in the year ahead, as they capitalise on the need for trusted advice.

However, challenges remain, including hiring and retaining the best staff and keeping a handle on costs. That's why it's important firms continue to build scale and adapt to change in the years ahead.

Based on data from NAB's recent survey of professional services firms – covering the real estate, accounting, legal, financial planning and insurance broking sub-sectors – as well as expert commentary and real-life business case studies, our report explores why and how Australia's professional services firms are pursuing growth and how they're managing to overcome current challenges in the process.

We hope you find it a useful tool as you seek your own growth and set up your firm for the future.



Kate Bain

Executive of Professional Services, NAB



Time for growth: the numbers

When NAB surveyed firms across real estate, accounting, legal, financial planning and insurance broking in late 2024, 73% said they were planning to grow their business in 2025.

Growth has been steady across professional services. Nearly two-thirds (65%) rated their revenue growth as good or very good over the past year, with another 30% calling it satisfactory. Looking ahead 12 months, 71% of professional services firms expect very good or good revenue growth, compared to just 55% of SMEs in NAB's SME insights¹ report from around the same period.

Firms named several avenues for growth, including making lateral hires to build out their expertise, acquiring other businesses, investing in technology and systems, and expanding into new products or services.

Settling on the right route

What's the best approach for your firm?

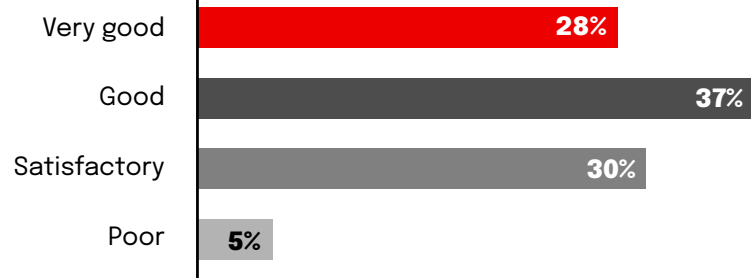
Experts say there's no one right way to go about growth – the key is to be strategic. “No two firms are the same; it's about knowing your culture and strengths,” says Adam Holster, Professional Services Banking Executive at NAB.

However, it's also about understanding the current challenges and how these might best be overcome. As NAB's survey shows, staffing, costs and regulation are the top concerns for professional services firms. It's all the more reason to build scale, Holster says.

1. <https://business.nab.com.au/wp-content/uploads/2024/08/SME-Investing-to-Grow-Business-Advice-Q2-2024.pdf>

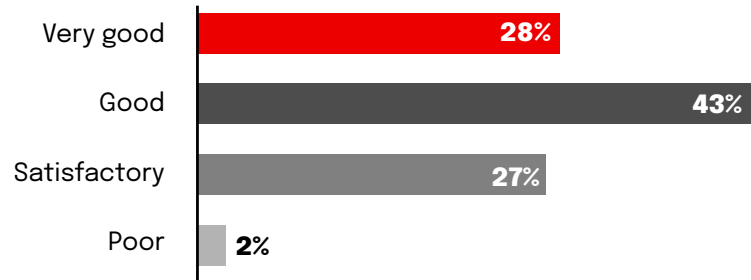
Revenue growth

Last 12 months

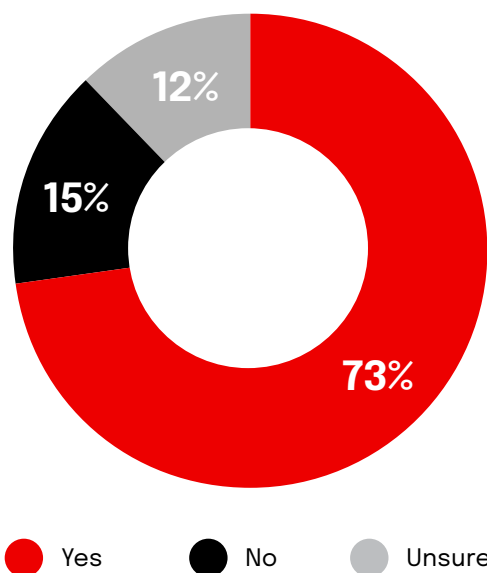


Revenue growth expectations

Next 12 months



Do you plan to grow your business over the next 12 months?



In what ways are you looking to grow your business?

79% Hiring, retaining and training staff

36% Acquire other businesses

33% New technology or systems

17% New products or services



01

Growth strategy 1: People

Hiring and retaining has been a challenge for professional services firms in recent years, and continues to be for 72% of those surveyed. However, this hasn't stopped some firms from prioritising hiring over other growth strategies.

"We're working with a legal firm that's avoiding M&A and instead investing in lateral hires – finding the best and making them an offer too good to refuse," NAB's Holster explains.

The secret to many firms' strategies is to start early and nurture talent through the career path.

That's the approach Ouwens Casserly Real Estate has taken with its cadet program. With property manager retention an issue across the industry, CEO John Thompson calls its career pathways "the engine room of our property management business".

79%

of firms are looking to grow their business through hiring, retaining and training staff

What expert help do you need to manage challenges?



Knowing where you're going

Ouwens Casserly also supports retention by offering internal mobility between divisions, a clear structure for those who want to move up the ladder into firm management, and an investment pathway (OC Invest) for tenured, high-performing staff.

It's the potential for growth itself, however, that can be the key to retaining staff. That's the case for BG Private, an accounting, audit and business advisory firm.

"Staff need to see a growth strategy so they know they can grow with the firm," managing partner Eugene Smarrelli says.

Law firm Bartier Perry has a similar perspective. "I would argue that growth benefits our firm, our clients and our people," CEO Riana Steyn says. "It brings more meaningful work, stronger professional development and – if we go the extra mile – greater career opportunities."

It's all part of building a positive culture in the workplace.

That's fundamental to Bartier Perry. "The risk we see in some organisations is that 'culture' is used to resist or reject the very changes needed to support a growth mindset," Steyn says. "One of Bartier Perry's greatest strengths is its culture. It's something we protect and nurture every day."

OUWENS CASSERLY REAL ESTATE:

Don't get caught in the middle

"In this market, you have to be really big or really small, because if you're caught in the middle it's very challenging," says John Thompson, CEO of Ouwens Casserly Real Estate, one of South Australia's largest independent firms.

However, he believes growth must be strategic, "not just scale for scale's sake". His firm's growth strategy focuses on a mix of hiring, acquisitions, equity partnerships, diversification, succession planning and technology.

It favours growth in geographical clusters, in areas aligned with its brand and price point.

"Real estate businesses operate well if they are connected with the community," Thompson says. "Our firm supports both major statewide charity initiatives, as well as local football teams and bowls clubs."

The real estate sector has had difficulties with supply, with stock availability identified as a top challenge by firms in NAB's 2024 Next Gen Real Estate survey.² Thompson expects more of the same in 2025.

However, he's also expecting a boost to consumer confidence from the RBA's recent rate cuts.

Whatever the opportunities or challenges, Thompson is keen for staff to remain fully invested in the firm's progress.

"We always talk about how growth is an opportunity for all of us," he says.



2. <https://business.nab.com.au/2024-next-gen-real-estate-report/>

02

Growth strategy 2: Acquisitions

However, acquisition is also a key growth strategy for professional services firms: 1 in 4 have made a purchase in the past two years, with the same number planning to do so in the next two years. Their main motivation? Growth.

Geographic footprint was also a driver (62%), as was securing top talent (31%).

That's the case for Ouwens Casserly Real Estate, which has used acquisitions to fuel its expansion into new and existing markets, acquiring seven businesses in 18 months.

"It's a dual play of growing share in existing geographies as well as entering new markets through the acquisition of rent rolls and sales agents," CEO Thompson explains.

Its scalable systems make that side of acquisition smooth, but integrating people remains the biggest challenge. It's why the firm invests in ensuring new staff feel welcomed and supported, Thompson says.

Has your firm purchased or sold all or part of a business within the last 2 years?



Does your firm intend to purchase or sell fees, equity, or all or part of a business in the next 2 years?



36%

of firms say they'll grow their business through acquisition

BG Private's Eugene Smarrelli says that M&A has been crucial for his firm's growth too.

"Just relying on internal growth is not sufficient – you need to go out there and look for opportunities."

However, Smarrelli warns against doing this without careful forethought. He says successful firms always make sure they're "battle ready" for any acquisitions, which includes having all partners and stakeholders aligned and financing prepared in advance. Due diligence is also important – and that doesn't just mean going through the books.

"One of the things that we've identified – which I think is just as important – is culture," he says, explaining that if the cultures of merging firms are too different, it can cause issues such as clashing approaches to client management.

Selling up a priority for some

Of course, not all firms are buying. According to NAB's survey, more than 1 in 4 are looking to sell (27%), with 23% doing so over the past two years. The top two reasons for this were succession planning and offloading non-core services.

"There are a lot of ageing firm owners who haven't clearly planned their exit strategies very far in advance," NAB's Holster explains.

"This means, when they want to retire, a sale is their primary option. This then drives a lot of M&A in professional services."

Top reasons for acquisitions

1 Business growth

2 Increase geographic footprint

3 Acquire good people

The two top reasons for selling

1 Part of succession planning

2 Some services no longer a strategic focus

Top priorities when planning an acquisition

1 Increasing scale

2 Expansion into new geographic markets

3 Cultural fit





03

Growth strategy 3: Succession planning

Succession planning is seriously lacking in professional services, with more than half of firms surveyed saying they do not have a formal plan.

While succession planning is often perceived as being linked to retirement, it's also key to growth. That's because a well-executed succession plan allows firms to build a mature, scalable and resilient business structure which has continuity in the event that the founders/owners are indisposed. It also gives other staff more clarity over their career path within the firm.

It's a process which can include reconfiguring ownership – for example, bringing in other partners – as well as improving the firm's operating practices and financial structure.

58%

of firms do not have a formal
or written succession plan

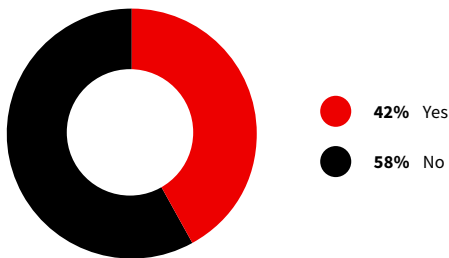
Adding strength to your structure

“Succession planning provides you with a business that’s robust; where many people drive performance, not just one or two,” says NAB’s Holster.

He points to the example of a real estate firm NAB has supported for 30 years. Putting in place a succession plan helped fuel its growth by giving the firm a blueprint to go from a sole agency to six principals. Ten years on, the 20% stake the founder retained is now worth more than the whole business would have been had he not put in place the succession plan.

“This shows there’s real value in early planning even if thinking that far ahead feels uncomfortable,” Holster says.

Does your firm have a written or formal business succession plan?



Make goals your succession start point

Holster says that a good place to start with a succession plan is to map out your short-, medium- and long-term goals. You then need to think about what the firm requires to deliver on these goals and whether the existing structure is adequate to achieve them.

“There’s only so much one or two owners can do,” he points out.

Ouwens Casserly Real Estate’s Thompson agrees. While the firm’s founders have no plans to exit, succession planning gives them the governance structure necessary for growth.

“It ensures we run a structured, profitable and stable business,” Thompson says.



BARTIER PERRY:

Growing thoughtfully

Over the past seven years, law firm Bartier Perry has more than doubled its revenue and grown its headcount from 120 to over 250.

That’s not by chance.

As CEO Riana Steyn explains, the firm has implemented disciplined and focused strategic three-year plans detailing how and where it wants to grow.

One area of focus has been the firm’s approach to diversity.

“From day one in this role, I understood that our growth strategy needed to align with our diversity strategy,” Steyn says. “That was supported by the Board.”

Rather than a top-down approach, Bartier Perry focuses on building a pipeline of diverse talent.

The results speak for themselves. “We now see either gender balance or a slight female skew across all lawyer cohorts – from graduates through to senior associates,” Steyn says.

Meanwhile, the firm has continued to invest significantly in leadership development and market-leading parental leave policies to ensure this pipeline flows through to the partnership level.

Another area of focus is technology. “While we’ve targeted the growth of specific practice areas and diversification into new ones, a consistent theme has been the transformative impact of technology on service delivery across the board,” Steyn says.

The firm has continually invested in technology and, more recently, appointed a Chief Transformation Officer. “Again, it’s about taking a multi-layered approach to growth that sees individual partner and practice group accountability supported by a firm-wide approach to providing them with the tools they need to succeed,” Steyn explains.



04

Growth strategy 4: Diversification

Another growth avenue for around one-fifth of firms is new products and services, according to NAB's survey.

This can include firms in certain sub-sectors increasing their presence in advisory roles. For example, 85% of accountants are now offering business planning and business strategy – a natural maturation in the role of the accountant as trusted adviser, according to NAB's Holster.

“Clients are always demanding more and better services,” says BG Private's Smarrelli, whose firm has gone through a similar process.

17%

of firms are looking to grow their business through new products or services

The same goes for financial planners, where around half are offering services like debt management (52%) and aged care (48%).

For firms wanting to know how to go about diversification, Holster has some advice: “Find your strengths and then understand why you want to expand.”





05

Growth strategy 5: Technology and systems

For professional services firms, technology represents one of the biggest growth opportunities, coming in as the third most popular method for growing their business.

33%

of firms are looking to grow their business through new technology and systems

That's not surprising, considering technology allows key staff to focus on high-value customer interactions. It's certainly the case for Ouwens Casserly Real Estate, which uses AI-driven admin automation, AI-powered targeted marketing and AI-enhanced video briefings.

"We have invested heavily in technology to help our people be more successful and productive. For our agents and property managers, our platforms allow for more time with our customers and they give our customers a better experience," Ouwens Casserly's Thompson explains.

However, Thompson says they make sure technology is adopted strategically and used to its full potential.

"There are some fantastic systems out there, but you need to be strategic or you will end up with an inefficient tech stack," he advises. "Most businesses only use a fraction of their systems capability, so it's best to assess what you need and what the gaps are before grabbing the next shiny piece of tech."

Where today's challenges lie

Certainly, new technologies like AI can be a challenge as well as an opportunity – as confirmed in our survey findings.

For starters, it represents a significant investment, particularly for smaller firms. There are also the attendant risks to consider.

As Bartier Perry's Steyn notes, "There are challenges – particularly around ensuring client confidentiality and evolving court guidance on the use of AI. So, managing the balance between risk and reward remains a work in progress."

In fact, any kind of digital technology represents a risk, with cyber security a huge issue for law firms in particular.³ It highlights the importance of firms using tools like NAB's security toolkit to ensure they're protected – see [here](#) for more information.

Of course, technology is not the only expense weighing down firms. New regulations – listed in the top three challenges in our survey at 40 per cent – also add to a firm's costs and there's no relief in sight.

For example, by July 2026, most professional services businesses will be considered tranche 2 entities under anti-money laundering and counter-terrorist financing reforms.⁴ As Steyn notes, "These changes are welcome, but represent a major project internally that will further increase our compliance obligations."

There are also new industry-specific regulations on the horizon, like South Australia's real estate Tenancy Act changes – the biggest update to rental laws in 30 years.⁵

Again, there are pros and cons to this. "It's created challenges but also opportunities to engage more deeply with clients," says Ouwens Casserly's Thompson of the changes introduced in 2024.

One answer is to invest even more heavily in technology. A cost in itself, it nonetheless can be a game-changer when it comes to compliance. "The solution to increased regulation is technology, including software as a service (SaaS) solutions and process automation," NAB's Holster notes. "For example, there are several software packages designed specifically for compliance with anti-money laundering."⁶



3. <https://www.lawyersweekly.com.au/biglaw/38684-law-firms-proving-a-perfect-target-for-cybercriminals-and-the-pressure-will-keep-building>

4. <https://www.ag.gov.au/crime/anti-money-laundering-and-counter-terrorism-financing/anti-money-laundering-and-counter-terrorism-financing-amendment-act/overview-amlctf-amendment-act>

5. <https://www.cbs.sa.gov.au/campaigns/rental-reforms>

6. <https://www.capterra.com.au/directory/31084/aml/software>

Conclusion

Across the professional services industry, many firms are planning to grow to help attract and retain staff, counter the rising cost of doing business and deal with new regulations.

Firms are using a combination of methods to achieve this growth, including M&A and diversification as well as more organic methods like increasing staff and investing in technology.

When it comes to growth, it's important to plan early and seek the best advice.

"An excellent strategy will be worth nothing if the execution is poor," NAB's Holster says.

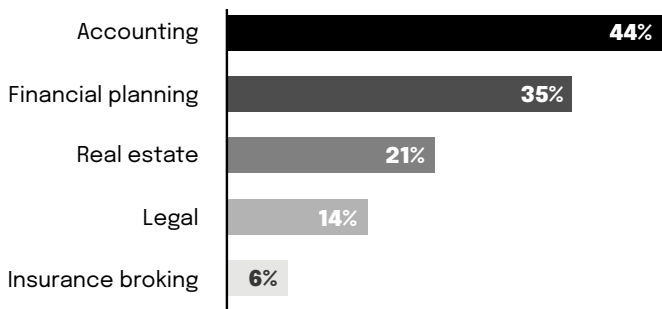
"Working capital is also very important and should be factored in from the beginning. Have a strategic conversation with your financier early on, rather than working in a vacuum."



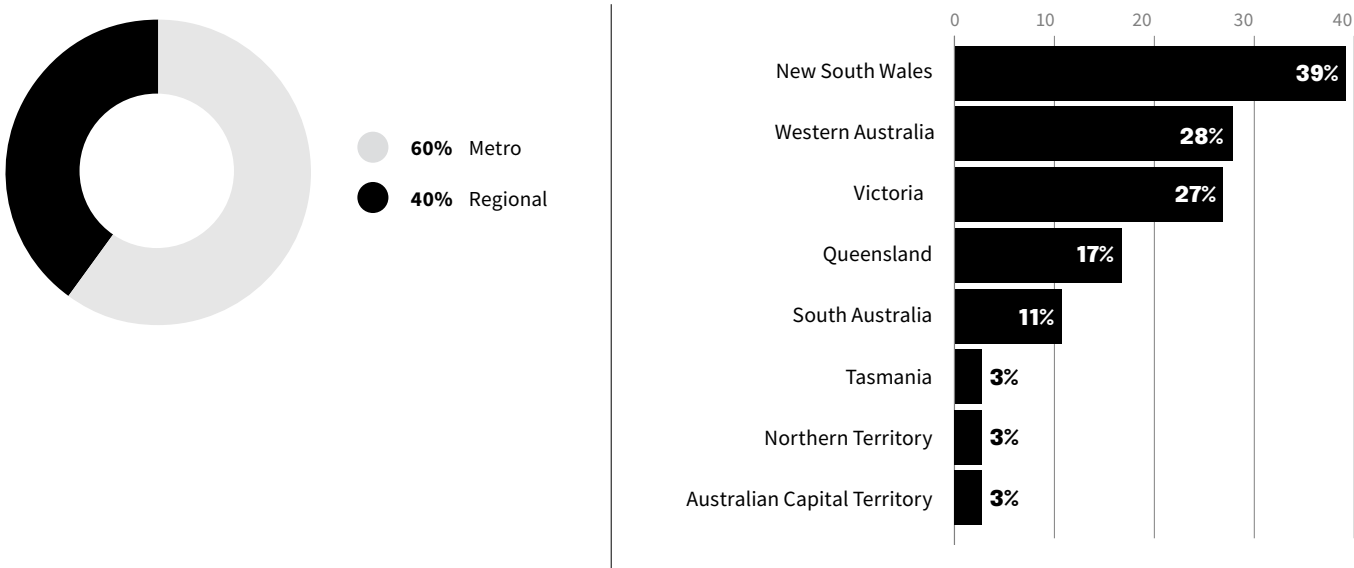
About the survey

NAB surveyed 64 firms across different sub-sectors of professional services in late 2024, of which around 80% report annual revenue of under \$10m. All states were represented within the respondents, and there was a 60/40 split between metro and regional firms.

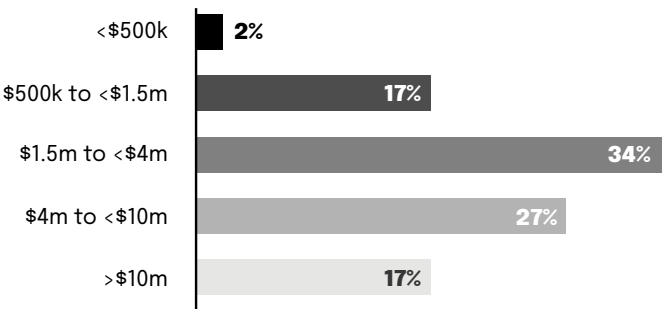
In which area does your firm operate?



Which best describes your firm?



What was the annual revenue of your firm for the last financial year?







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