THOROUGH
Financial Services

CLIENT EDUCATION GUIDE

How Your Package Is Right-Sized Each Year

Why service levels change — and how adjustments are handled.

- What a package is built from, and why that determines its price
- How the annual review works, in four fixed steps
- Why adjustments move in both directions

THOROUGH Financial Services
CPA-LED ADVISORY · CLIENT EDUCATION
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Packages are built from scope, cadence, and complexity

A package is not a price with a name attached to it. It is a defined body of work, delivered on a defined rhythm, for a situation of a defined complexity. Change any one of the three and the package that fits changes with it.

INPUT 01

Scope

What is included: which returns, which entities, which reviews, which deliverables, and how many of each the year is expected to require.

INPUT 02

Cadence

How often the work occurs. An annual rhythm and a monthly rhythm are different services even when the deliverable has the same name.

INPUT 03

Complexity

How much interpretation each unit of work requires. Two returns with identical forms can demand very different amounts of judgment.

Three packages, one at a time

LEVEL ONE

Foundation

A defined annual scope on a lighter cadence, for situations with fewer moving parts.

LEVEL TWO

Growth

Review and interpretation on a recurring cadence, for situations where the year contains real decisions.

LEVEL THREE

Executive

Coordination across greater complexity, at the highest cadence, where several parts interact.

WHAT PRICING REFLECTS

Pricing reflects the work a year requires — not the size of the client, and not what was charged last year.

02 WHY NEEDS CHANGE

The situation that set the package rarely stays still

A package is placed against a situation as it exists on a particular day. Situations move. Four kinds of movement account for most of it.

CHANGE 01

Growth or contraction

Revenue rises or falls, headcount shifts, and the work required to report and interpret the year moves with it.

CHANGE 02

New entities or activities

A second entity, a new state, a rental property, an equity grant. Each one adds a return, a coordination point, or both.

CHANGE 03

Reduced complexity

A sale closes. A subsidiary winds down. A K-1 stops arriving. The year that follows asks less of the engagement than the year before it did.

CHANGE 04

Life or structure changes

A marriage, a move to a second state, a trust becoming irrevocable. Personal structure and tax structure are not separable.

A CORRECTION WORTH MAKING EARLY

Complexity does not only accumulate

The common assumption is that a client's situation grows steadily more complicated, and that packages therefore only move upward over time. The record does not support it. Businesses simplify. Entities dissolve. A year containing one large transaction is followed by a year containing none. Complexity moves in both directions, and a review that only looked for increases would be looking at half the evidence.

WHAT THIS MEANS

The fit that was correct at the beginning is a fact about that moment — not a permanent property of the relationship.

03 WHAT RIGHT-SIZING IS

Right-sizing aligns the package with what is actually there

The term describes a specific annual procedure, not a general intention to be reasonable.

DEFINITION

Right-Sizing

The annual review of a client's actual activity, scope, and complexity, and the alignment of the package to what that review finds. It is performed on the year that just occurred, using scope definitions that were set before the year began.

The review has three possible findings

It moves up

The year required more than the package contained. Complexity, coordination, or cadence outgrew the level.

It stays the same

The package and the year matched. This is the most common finding, and it is a result rather than a default.

It moves down

The package contained more than the year required. The level is reduced to what the evidence supports.

ON THE MIDDLE OUTCOME

“No change” is an answer, not an absence of one

A package that stays the same after review is the review working. The alternative — a level that never moves because no one looked — produces the same word on the invoice and a completely different relationship behind it.

STATED PLAINLY

Three outcomes, all of them normal, all of them reached the same way.

04 THE ANNUAL REVIEW

Four steps, in a fixed order

The review runs the same way for every client, every year. What differs between clients is the evidence, not the method.

Review — The year that occurred → **Compare** — Against package scope → **Evaluate** — Fit, over, or under → **Adjust** — Set next year's level

01 Look back at the year

What actually occurred, what work was required to serve it, and what arrived during the year that no one anticipated when the package was set.

02 Compare to package scope

What the package included, what the year exceeded, and what it fell below. The scope definitions used are the ones that were in place before the year began.

03 Evaluate fit

Correctly scoped, over-scoped, or under-scoped. The evidence is the year that just happened, not a projection of the year ahead.

04 Set next year's package

Aligned to expected needs, with the reasoning stated in writing and the effective date defined before it takes effect.

WHAT MAKES THIS STRUCTURED RATHER THAN ARBITRARY

The same four steps, in the same order, against the same definitions of scope. The inputs differ between clients. The method does not.

05 BOTH DIRECTIONS

The adjustment moves wherever the evidence points

Upward and downward adjustments are produced by the same review, applied the same way, and communicated in the same manner. Neither is exceptional.

THE LEVEL MAY INCREASE WHEN

- Complexity rose — a new entity, state, or activity appeared
- Coordination across more parties became routine rather than occasional
- The work required consistently exceeded what the package contained
- The cadence the situation needed outpaced the cadence the level provides

THE LEVEL MAY DECREASE WHEN

- Activity reduced — a transaction closed, a venture ended
- Entities were dissolved or consolidated into fewer filings
- Deliverables required fewer cycles than the package anticipated
- The package scope consistently exceeded what the year actually asked for

THE GOVERNING PRINCIPLE

Alignment matters more than revenue. A downward adjustment that reflects reality is the review functioning correctly.

WHY A FIRM WOULD REDUCE ITS OWN FEE

Over-scoping is not free

A client paying for cadence they do not use eventually notices. When they do, the relationship ends over a number rather than over the work — and it ends without either party having discussed what actually changed. A package that reflects reality is the more durable arrangement for both sides, which is a practical reason rather than a generous one.

06 WHY THIS EXISTS

Two failures this is designed to prevent

A package model without an annual review drifts in one of two directions. Both are quiet, both take years to become visible, and both end the same way.

FAILURE 01

Overpaying for unused services

A level set for a complicated year persists into simpler ones. Nothing is wrong with the work. The client is simply purchasing a cadence their situation no longer requires, and paying for it every month.

FAILURE 02

Under-serving a complex situation

A level set for a simple year persists into complicated ones. Work exceeds scope quietly, deliverables compress, and the situation receives less attention than it needs.

What the review is meant to produce

OUTCOME 01

Clarity

Both parties know what the level includes, why it was set there, and what would move it.

OUTCOME 02

Fairness

The same method applies to every client. The level follows the evidence rather than the tenure of the relationship.

OUTCOME 03

Predictable expectations

The review happens on a schedule. Changes are explained before they take effect, never discovered after.

THE PRINCIPLE UNDERNEATH ALL OF IT

Scope should match reality.

07 COMMON MISUNDERSTANDINGS

Four assumptions worth setting straight

Package models earn these assumptions honestly, because many of them are built to justify them. This one is not.

COMMON BELIEF

“Once I choose a package, I'm stuck with it.”

IN PRACTICE

Placement is annual, not permanent. Every year begins with a review of the year that preceded it, and the level that follows is set by what the review found.

COMMON BELIEF

“Changes only go one direction.”

IN PRACTICE

Both directions are part of the model. A downward adjustment follows exactly the same four steps as an upward one, and is communicated the same way.

COMMON BELIEF

“Packages are negotiated each year.”

IN PRACTICE

Adjustments follow the review's findings rather than a conversation about price. The evidence is the year that occurred, and the scope definitions were set before it began.

COMMON BELIEF

“A change means something went wrong.”

IN PRACTICE

An adjustment means the situation changed. That is the ordinary case rather than the exception, and it says nothing about how the prior year was served.

THE THREAD RUNNING THROUGH ALL FOUR

Adjustments are based on facts, not negotiation. Both increases and decreases are part of the design.

08 INSIDE THE RELATIONSHIP

The review is part of the structure, not an event

Right-sizing is not a conversation that happens when something has gone wrong. It is a scheduled component of an ongoing relationship, and it runs whether or not anything has changed.

PROPERTY 01

The relationship is ongoing

The engagement is not a series of unrelated annual transactions. Each year begins with knowledge of the one before it.

PROPERTY 02

The review is scheduled

It occurs on a defined rhythm rather than being triggered by a complaint, a surprise invoice, or an uncomfortable conversation.

PROPERTY 03

Transparency is built in

The reasoning is stated. The scope definitions do not move mid-year. Any change carries an effective date set before it applies.

ONE PACKAGE AT A TIME

Simplicity in the model is what makes the review honest

Clients occupy a single package. There is no bundling, no layering of add-ons, and no partial upgrade that quietly becomes permanent. A model with one level per client can be reviewed against one year of evidence and produce one clear answer. A model with many overlapping components cannot — and the ambiguity always resolves in the firm's favor.

Where the numbers actually live

PUBLISHED PRICING

Package prices are published as starting points. They describe where a level begins, not what a particular engagement will cost.

THE ENGAGEMENT LETTER

The fee, the scope, and the deliverables for any engagement are stated in a signed engagement letter. Nothing else establishes them.

THE GOAL

Alignment over time — not a placement that happened to be correct once.

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THE TAKEAWAY

Your needs change. The package should reflect reality, not assumptions — and adjustments follow structure, not negotiation.

NEXT STEP

Start with a Fit Conversation

A short, structured conversation to understand your situation and confirm which level, if any, actually fits it.

No documents required	**No commitment created**	**We'll confirm likely fit**

Schedule a Fit Conversation

Clarity first. Everything else follows from it.

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