

I. InVitro Criteria Scoring

Filter	Score (1–3)	Justification
Tech-starved	2	While large firms use modern tools, many small and mid-sized accounting firms still rely on outdated desktop software, manual processes, or generic spreadsheets.
Labor-intensive	3	Core work—bookkeeping, reconciliation, tax prep, audits—is fundamentally driven by skilled labor, especially during tax season or monthly close.
Fragmented	3	Tens of thousands of independent firms and solo CPAs exist alongside larger players. There is no single dominant software stack across segments.
Overlooked	2	Startups exist in vertical SaaS and automation (e.g. Bench, Pilot), but many workflows remain under-addressed, especially at the low end and in niche segments.
Capital-efficient	2	Potential for recurring SaaS revenue exists, but buyer education is often required, and sales cycles can be long without clear urgency.

II. MECE Subsegmentation of the Industry

Segmented by **End Customer Type Served**:

Subsegment	Description	Notes
Solo Practitioners	One-person firms often serving local small businesses	Extremely cost-sensitive; highly manual
Small Local Accounting Firms	2–10 person firms serving local SMBs	Moderate tech adoption, broad workflow needs
Mid-Market Outsourced Accounting	Specialized in outsourced CFO/controller services	Serve fast-growing startups, higher ACVs
Tax Prep Specialists	Focused on personal/business tax returns	Workflow concentrated seasonally
Audit & Assurance Firms	Provide compliance-driven audit services	Heavy documentation, less automation-friendly
In-house Corporate Accounting	Internal accounting departments for mid-sized businesses	Usually equipped with ERP systems

III. Workflow Decomposition

A. Generate Master Workflow List

Workflow Name	Description	Current Tooling	Known Vendors / Tools
Client Onboarding	Collecting entity info, contracts, access to bank accounts, prior books	Email, spreadsheets	Ignition, Karbon, Canopy
Chart of Accounts Setup	Defining structure of ledgers	Accounting software	QuickBooks, Xero

Workflow Name	Description	Current Tooling	Known Vendors / Tools
Bank Reconciliation	Matching books with bank statements	Semi-automated in software	QuickBooks, Xero, Bench, Pilot
Monthly Close	Finalizing P&L, categorizing expenses, preparing reports	Manual, mix of tools	FloQast, Airbase, Microsoft Excel
Payroll Processing	Running payroll, filing taxes	Dedicated tools	Gusto, ADP, Paychex
Invoicing & AR Management	Creating and tracking customer invoices	Mix of manual + software	FreshBooks, QuickBooks, Bill.com
AP Processing	Managing incoming bills, approvals, and payments	Manual or semi-automated	Melio, Bill.com, Ramp
Tax Prep & Filing	Preparing and submitting tax returns	Dedicated software + manual	Drake Tax, UltraTax, Intuit ProSeries
Client Communication	Ongoing email/chat/phone to gather data and respond to questions	Email, phone	Karbon, Canopy, Slack (ad hoc)
Workflow Management	Assigning and tracking internal tasks	Whiteboards, Excel, Asana	Jetpack Workflow, Karbon
Document Collection	Gathering receipts, tax forms, statements	Email, Dropbox, portals	FileInvite, SmartVault, Hubdoc
Compliance Documentation	Storing and organizing key compliance documents	File folders, Google Drive	Canopy, Karbon, AuditBoard

B. Group Workflows into Functional Categories

1. Client Onboarding & Communication

- Client Onboarding
- Client Communication
- Document Collection

2. Core Accounting Operations

- Chart of Accounts Setup
- Bank Reconciliation
- Monthly Close
- Invoicing & AR
- AP Processing
- Payroll Processing

3. Tax & Compliance

- Tax Prep & Filing
- Compliance Documentation
- Audit Readiness

4. Workflow & Team Management

- Workflow Management
- Internal Task Assignments

C. Build Workflow Matrices by Subsegment

Category: Client Onboarding & Communication

Workflow	Solo Practitioners	Small Firms	Mid-Market Outsourced	Tax Prep Specialists	Audit Firms	Known Competitors
Client Onboarding	Manual, email	Excel, Email	Ignition, Karbon	Manual forms	Manual	Ignition, Karbon
Document Collection	Dropbox, email	SmartVault, email	Hubdoc, portals	Manual	AuditBoard	SmartVault, FileInvite
Client Communication	Phone, email	Outlook, Slack	Slack, Karbon	Phone	Email	Karbon, Canopy

Category: Core Accounting Operations

Workflow	Solo Practitioners	Small Firms	Mid-Market Outsourced	Tax Prep Specialists	Audit Firms	Known Competitors
Chart of Accounts	Manual	QuickBooks	Xero, NetSuite	Irrelevant	Custom audit tools	QuickBooks, Xero
Bank Reconciliation	Manual	QBO, Xero	FloQast, Airbase	Irrelevant	Custom	QuickBooks, FloQast
Monthly Close	Excel	Semi-manual	Automated dashboards	Irrelevant	Custom	FloQast, Airbase
Invoicing & AR	Word, Excel	QuickBooks	Stripe, Chargebee	N/A	N/A	FreshBooks, Bill.com
AP Processing	Manual	Bill.com	Ramp, Airbase	N/A	N/A	Melio, Bill.com
Payroll	Gusto, ADP	Gusto	In-house HR	N/A	N/A	Gusto, Paychex

Category: Tax & Compliance

Workflow	Solo Practitioners	Small Firms	Mid-Market Outsourced	Tax Prep Specialists	Audit Firms	Known Competitors
Tax Prep & Filing	Drake, manual	Intuit, Drake	Outsourced	UltraTax, Drake	N/A	Drake, UltraTax, ProSeries
Compliance Docs	Google Drive	Shared folders	Secure portals	File drawers	Specialized	Canopy, AuditBoard

Category: Workflow & Team Management

Workflow	Solo Practitioners	Small Firms	Mid-Market Outsourced	Tax Prep Specialists	Audit Firms	Known Competitors
Workflow Management	None	Excel, Asana	Karbon, Jetpack	None	Custom systems	Jetpack, Karbon
Internal Task Assign.	Self	Email	Structured systems	Paper lists	Enterprise tools	Karbon, Asana

IV. Evaluate Top Subsegment × Workflow Pairs

1. Small Firms × Client Onboarding

Criteria	Notes
Product whitespace	Handoff from sales → onboarding remains fragmented; no unified onboarding and data permissioning flow.
Business whitespace	High coordination friction internally and with clients; limited visibility into onboarding stage.
Operational leverage	Templates, automation, and client-side checklists could dramatically reduce time-to-value.
ACV estimate \$	~\$2,500–5,000/yr if bundled with team workflow & comms
# customers at scale	~25,000 U.S. small firms
Market size	~\$100–125M
Price sensitivity	Moderate, especially if bundled with time savings
Known competitors	Ignition, Karbon (partial), Canopy (not tailored to onboarding)

2. Mid-Market Outsourced × Monthly Close

Criteria	Notes
Product whitespace	Closing process is semi-manual, especially for hybrid cash/accrual clients
Business whitespace	CFOs want predictable timelines, but tools like FloQast assume strong system integrations
Operational leverage	Templates and checklist-driven workflows can reduce errors and centralize status
ACV estimate \$	\$8,000–15,000/yr
# customers at scale	~5,000 firms
Market size	~\$50–75M
Price sensitivity	Low – firms resell value to clients
Known competitors	FloQast, Vena (complex), internal tools

3. Tax Prep Specialists × Workflow Management

Criteria	Notes
Product whitespace	Most use Excel or paper for task tracking; no real-time visibility
Business whitespace	Massive bottlenecks during tax season; deadlines missed, returns filed late
Operational leverage	Pre-built task flows per return type (1040, S-Corp) could reduce mental load
ACV estimate \$	\$1,000–2,000/yr
# customers at scale	60,000+ tax prep businesses
Market size	~\$60–120M
Price sensitivity	High unless ROI is immediate
Known competitors	Jetpack Workflow, Canopy (light usage)

V. Buyer Personas

Buyer Title / Role	Workflow Owned	Context of Pain	Budget Control	Notes
Managing Partner, Small Firm	Client Onboarding	Clients ghost, incomplete data, no transparency	Yes	Wants faster revenue conversion
Controller, Outsourced Firm	Monthly Close	Variability in team output, lack of close calendar control	Partial	Often buyer for mid-market tooling
Owner, Tax Prep Firm	Workflow Management	Tax season chaos, staff overwhelmed, no central visibility	Yes	Must be low-friction + seasonal UX