The Four R’s and the Retention Question

Why reviewing client profitability without reviewing staff impact is only half the audit

CloudCapcha

Most firms accept a version of this by now: the gap between time worked and time recorded is not a discipline problem, it is a process problem, and it compounds across every fee earner and every week into revenue that is simply never billed. Closing that gap, recording the truth of what happened rather than an end-of-day approximation of it, is the foundation but an accurate record of hours worked only answers the first question. It doesn't tell a firm what to do with what that record reveals. Once a firm can finally see, with confidence, where its time really goes, the harder question follows immediately: now what? That is where the profitability conversation most firms already have, the language of reprice, rescope, reassign, release, stops being guesswork and starts being an exercise grounded in evidence

Most medium-to-large accounting firms already run some version of a client profitability review. Partners talk about it in the language of the “R’s”, reprice, rescope, reassign, release, and the conversation is almost always framed around margin. Is the fee still right for the effort involved? Has the scope crept? Should the work sit with someone more junior, or more senior? Is this client worth keeping at all?

It is a useful discipline but run purely off billed time and WIP data, it only tells half the story. The other half, where clients are burning out the team that serves them, rarely makes it into the same conversation, because the data most firms review was never built to show it.

A client can look financially borderline-acceptable on a realisation report and still be the single biggest reason a senior is job-hunting.

The 4 R's and the *signal* each one hides

Each of the four levers has a financial trigger firms already watch for and a people signal that usually goes unmeasured until someone resigns.

		Financial trigger	**People signal**
1	Reprice	Fee no longer matches the effort or scope involved.	Staff absorb extra hours without logging them; the true burden goes unrecorded until it surfaces as fatigue.
2	Rescope	Deliverables have crept beyond the original engagement letter.	Scope creep is one of the most direct lines to burnout: the work keeps expanding with no relief valve.
3	Reassign	Work is being delivered at the wrong seniority level.	Senior staff stuck on repetitive, low-value work instead of review and advisory, a well-documented driver of accountant burnout.
4	Release	Client is structurally unprofitable even after repricing and rescoping.	The relationship has become a retention risk in its own right: the name a team member dreads seeing in their inbox.

Why the people side gets *missed*

It is not that firms don't care about staff wellbeing. The data feeding the profitability review and the data that would reveal burnout risk usually come from different places and one of them is far less reliable than firms assume.

Manually recorded time is well known to under-represent the work that happens. Industry research suggests a meaningful share of client work never makes it into the time recording system at all, which means the clients consuming the most unrecorded effort are often the ones a realisation report understates rather than flags. The engagement that looks acceptable on paper can be the one draining the most goodwill from the team, simply because nobody logged the true cost of serving it.

Scope creep compounds the problem rarely arriving as one large change a partner would notice but arriving as a hundred small ones, absorbed silently by whoever is closest to the client. The cost of that absorption doesn't show up as a line item. It shows up as attrition risk. The other risk is the scale of client correction required when it's finally discovered: sticker shock and disappointment follow because the client now expects that these additional items are "included".

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The retention figures firms often *overlook*

When a client conversation is framed purely as margin versus disruption, “keep them, we’ll just absorb it” can look like the path of least resistance. That calculation changes considerably once you factor in the cost of losing the person absorbing the work. Replacing a technical accounting employee has been estimated at roughly 80% of that person’s annual salary; replacing a manager can run to around 200%. Set against those figures, “we’ll just eat the loss on this client” is rarely the cheaper option, it is simply the cost that hasn’t been billed yet.

There is a positive version of this too. Firms that reduce the chaos and friction around client delivery tend to see measurably better engagement and materially lower turnover. The same operational fixes that protect margin also protect the team. Reprice, rescope, reassign, and release are not just profitability levers; when run well, they are retention levers too.

Reviewing the 4 Rs on the *right data*

The reason this connection is hard to see in most firms isn't a lack of will, it's a lack of visibility. A manual timesheet, however diligently completed, only ever captures what someone remembered and chose to record at the end of a long day. It cannot show a partner where cognitive load, context-switching, and unrecorded effort are concentrating across the client base.

That is precisely the gap automated, passive time capture is built to close. WorkCapcha records how work really happens within Microsoft Teams, in real time, rather than relying on end-of-day recall. For the quarterly or annual 4 R's review, that means:

- A true picture of effort by client and engagement, including the work that would otherwise never reach the time recording system, so Reprice decisions are grounded in what happened, not what got remembered.
- Visibility into where scope has quietly expanded, giving Rescope conversations a factual basis rather than a partner's impression.
- Clear data on who is delivering the work, supporting Reassign decisions that move it to the right seniority level.
- An honest, defensible view of which engagements remain unprofitable after the first three levers, making the Release conversation, when it's needed, easier to justify to the room.

None of this requires a new review process. It means running the review your firm already does on data that reflects the whole picture: the client relationships that are financially borderline and the ones costing the firm its best people.

What this means for *Managing Partners*

- Add a retention lens to the next client profitability review: ask not just “is this client profitable” but “who is absorbing the gap, and for how long.”
- Treat persistent scope creep on a single account as a staffing risk, not just a billing one.
- Use accurate, passively captured time data so the 4 R's decisions are based on real effort, not what staff had time to remember and log.
- Factor replacement cost into the “we’ll just keep them” conversation: the true cost of an unprofitable client is rarely only the margin it loses.

Which clients are *costing* you your best people?

Most firms can already name their least profitable clients but far fewer can name which clients are pushing their best people toward the door, because the data that would show it was never captured in the first place.

This is the second piece in our short series on presence, workload, and wellbeing in professional services, following “Presence Isn’t Performance.” Where that article argued firms should measure outcomes rather than office attendance, this one asks firms to point that same outcome visibility at the client base because the clients driving burnout and the clients driving margin loss are very often the same ones.

Wellbeing

None of this works without the data to back it up. A firm can say wellbeing matters, run engagement surveys, and still have no real way of knowing which clients, which weeks, or which working patterns are grinding a team down because goodwill and good intentions aren't evidence. Accurate, complete time data is what turns "we care about our people" from a stated value into something a firm can act on. It shows where overload is building and which engagements need rebalancing before someone reaches breaking point. Wellbeing isn't protected by policy alone. It reveals where workloads are becoming unsustainable, giving firms the evidence to rebalance matters before people reach breaking point.

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