Public Practice E-News

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This electronic newsletter is prepared especially for public practitioners and is sent bimonthly to members of the Puerto Rico Society of CPAs. This e-newsletter features regular commentary from Bill Reeb, a CPA firm consultant based in Austin, Texas.

From the BILLiverse
Bill Reeb, CPA, begins a new series this month tackling the fundamentals of succession planning. In the first article of this series, Reeb shares a list of issues that every good succession plan should address, in order of importance. He also discusses a number of issues that are commonly focused on first and explains why they should be considered later down the road. Take a look at the following article to learn more about the fundamentals of a succession plan.
Read Reeb's Commentary

How to Create a No-Equity Partner Position in Your Firm
Gary Adamson is the president of Adamson Advisory and specializes in practice management consulting for CPA firms. Most firms are faced with the dilemma of keeping long-term managers who are major contributors to the firm, but for whatever reason are not ready to be equity partners. As a solution, Adamson discusses the relatively new approach of creating a no-equity partner in the firm. He provides an outline of what the position looks like, how it differs from the normal equity partner spot and some considerations to implement it in your firm.
Read the Article

What CFOs are Thinking When They're Thinking about Their Company's Outside Accounting Firm
According to *CPA Trendlines* research, about a quarter to a third of corporate financial officers (CFOs) and managers say they've worked with their outside CPA firm for over 10 years – and just as many have stuck with their external accountants for five to 10 years. Nevertheless, the same study is coming up with an interesting irony: half of all responding corporate financial officers say they would not recommend their accountants to others. Rick Telberg shares some insight from a recent study on how finance executives pick accounting firms; the results might surprise you.
Read the Article

Marketing Tip: How Does Your Firm Compare?
Understanding what sets your firm apart enables your entire team to communicate effectively with clients and prospects and win more business for your firm. There are a variety of methods for determining your differentiators, including conducting SWOT analyses on your firm, people, and initiatives as we discussed in our last marketing article. Once you've completed your SWOT analyses, it's time to conduct a competitive analysis by asking others, such as your clients and alliance partners, how you compare to similar firms and exploring the public domain. Krista Remer and Jennifer Wilson from *ConvergenceCoaching LLC* offer their insight in this article, as they share tips on how to gather feedback about your firm from outside sources.
Learn More

Three Steps to Pricing Your Services, Part 2: Time and Money

In the last Public Practice eNews, Jennifer Katrulya, CPA, CGMA, CITP, shared three steps – cost of labor, technology and contingencies - that you can take as you consider value-priced, fixed-fee billing arrangements. In this article, Katrulya discusses a number of other investments of time and money that need to be factored into the overall pricing calculations for your firm, such as education and training, client appreciation efforts, and more.
Read the Article
http://www.accountingweb.com/article/pricing-your-services-part-2-time-and-money/220034

Windows 8: Jump or Wait?
Windows 8 features a tile-based, touchscreen-optimized interface that Microsoft has designed to be used across the board on desktop computers, laptops, tablets, smartphones, and a slew of new Ultrabooks. Windows 8 also uses the cloud to synchronize devices so that an update on a user's PC also will show up on the user's tablet and smartphone, provided they are running on the latest Windows version. This *Journal of Accountancy* article offers a quick tour of Windows 8, examines its most notable new features, and offers advice on whether to embrace, eschew, or take a wait-and-see approach with the new operating system.
Read the Article
http://www.journalofaccountancy.com/Issues/2012/Nov/Windows-8-20126301.htm#

2012 MAP Survey: Signs of Recovery
Accounting firms aren't all the way back to where they were before the Great Recession, but they are making progress. That's one of the many findings of note in the 2012 National Management of an Accounting Practice (MAP) survey, sponsored by the AICPA Private Companies Practice Section in association with the Texas Society of CPAs. This article and the accompanying charts highlight the top takeaways from the 2012 PCPS/TSCPA MAP Survey.
Learn More
http://www.journalofaccountancy.com/Issues/2012/Dec/20126391

MANAGING SUCCESSION FUNDAMENTALS – PART 1

BY BILL REEB, CPA, CITP, CGMA

MISDIRECTION IN SUCCESSION MANAGEMENT

You can't go a week without seeing some article or blog focused on succession management and everyone seems to have a different opinion as to what is important when addressing succession. So, I thought it was time we challenged some of the more common misdirection that we have read in recent advice columns.

The first thing most authors want to focus on with succession is the development of future leaders. Then the dialogue will shift quickly to mentoring programs, leadership training and more. It would be hypocritical for us to disagree with this because we actually develop and conduct these kinds of programs. However, this type of training is only valuable after many other issues are addressed first. So, while it is important, I guess the best phrase to describe this is "first things first," and this is not first by any stretch of the imagination.

An issue at the top of the list for many is finding replacements for the current senior partners. The question is often stated as, "How can we find people with the same technical skills, management ability, client service capacity, and vision for the firm's future as those who are

leaving?" How could anyone argue that this question shouldn't be a key factor in succession management? While we also believe this is a priority, it ranks further down the list in our opinion.

Another common focus often centers on buying out the senior owners and the incredible financial burden the purchase creates for the younger partners. The question raised in this area is, "Can the remaining partners handle the payment demands, and do they have the integrity and commitment to make them?" Certainly, anytime someone is transitioning a business from one generation of owners to another, feeling confident about the answers to these questions seems like a more than fair request to make. The buyout price is always a touchy issue, and the seller's feeling comfortable that he or she will get paid is equally sensitive. However, assuming we have two reasonable parties involved, we rarely find that these topics end up blowing up the deal. So like the other issues mentioned above, while price and ability to pay absolutely belong on the succession management list, they are not nearly the hurdle people make them out to be.

Yet another one of our favorite issues that people make a fuss over is, "Who should manage the firm?" Who should be selected as the new managing partner? Does the managing partner need to be a CPA or have worked in public accounting? There are certainly a lot of questions and suggestions for determining the next leader, and you would think that there would be a multitude of good answers, but our view is that most of the suggestions we read and hear about are marginally effective to ineffective.

The most commonly discussed issue we see regarding succession pertains to client transition. There are lots of opinions on this, too. The focus all too often is on the retiring partner making the necessary introductions when in fact this single issue is hardly what is undermining the succession and retention process.

One of the most emotional issues to pin down in succession is when a partner should or can retire. This topic addresses the period with a starting point defined by when a partner can first decide to retire with benefits and an ending point defined by when that same partner will be forced to sell his/her ownership with benefits. The focus of this issue when we see it covered in the media seems to always be about the specific interests of a partner. The problem is that, while "what a partner wants" should be considered, it is a secondary concern in succession management and certainly not the primary one.

One area or question that creates a great deal of frustration is, "What arrangements for continued work should be made to accommodate the retiring or MSO (mandatory sale of ownership) partner?" The concerns raised under this heading mostly center around creating a compensation arrangement for retired owners. While there are some commonly discussed best practices in this area, what to pay them should almost always be secondary to a number of other more important, and often more financially damaging, issues to address.

While we could go on listing commonly discussed succession issues, and the frequently shared, misdirected advice we've seen in these areas, we would rather shift gears here, stop focusing on symptoms and start focusing on resolving the root cause issues that a good succession plan should address.

THE ROBUST SUCCESSION FRAMEWORK™:
First and foremost, good succession management is a function of good business operating practices. Over and over, we find successful firms, including many that have even effectively retired partners in the past that are overlooking some very important best practices.

So, before we move on from here (with our next article), let's take a look at the laundry list of issues that a good CPA firm business model (and therefore a good succession plan) should be built upon. You might recognize many of the statements and comments below from questions we asked in the 2012 PCPS/Succession Institute Succession Survey (if you want to get the actual detail of Succession Survey, contact AICPA/PCPS and download the free overview report. PCPS members [if you are not already a member, you can become a member at a nominal cost] also have access to the full report with the detailed statistical data included in it). ***The Robust Succession Framework*™** is built from best practices used to address issues that any firm should be working through in their succession management process. If you have 30 or more people, you should be able to answer "yes" to, or have a specified approach for addressing, each issue covered below.

But before you start going through the list, recognize that there is a hierarchy. Some items on the list are more foundational than others, with some more effective when built on others. From this list, and in our continuation of columns on this topic, we will take you through what to focus on first, and based on your resources, what is a "need to address now" versus a "like to have later" issue:

THE ROBUST SUCCESSION FRAMEWORK™

The firm has a current written, approved succession plan in place, which includes the following:

Planning

- We always work from a firm strategy and hold people accountable to achieving it
- We have a strategic plan covering the next 3 to 4 years
- We have a tactical plan focused at the next 18 months
- We have budgets focused at the next 12 months (financial, staffing, capital, backlog, etc.)
- We have an infrastructure plan focused on the internal changes that need to take place in order to have a reasonable chance of achieving the strategic plan

Compensation System

- We have a partner and manager compensation plan that changes each time the firm strategy changes so that we can ensure the partners are committed to achieving the individual strategies within the plan. Our compensation system is designed:
    - with a portion of salary set as base pay, and with the rest awarded on incentives using both subjective criteria and objective formulas determined annually

- to allow the managing partner to set goals for each partner based on the strategic plan and the managing partner has a discretionary compensation stick to hold partners accountable for achieving their goals
- to make sure we are training to strengthen people at all levels below the owners throughout the firm
- to require partners to push work down in order to create more leverage
- to require partners to spend more time managing client relationships and less time processing the work in the office
- to make it is a priority for managers and staff to push work down at every level, with manager and staff goals identified annually
- to change the way we operate so that the firm is not built around the expectation that everyone, including partners, should work excessively long hours, but rather around creating a very profitable firm through following good business practices
- to hold partners accountable to written operating policies and procedures

Governance, Compliance, Roles and Responsibilities

- We have governance in place that focuses on the roles and responsibilities of each position, and we don't build the role around each new individual filling that position. Our policies cover:
    - Termination of a partner
    - Admission of partners
    - Partner voting rights and process (how various policies are voted on – one person one vote, equity ownership, etc.)
    - Maximum payout of guaranteed payments for partners that have retired or sold their interest in the firm (this is a cap on total payouts to all partners receiving benefits)
    - Voting thresholds and requirements that must be met to approve the sale/upstream merger of the entire firm
    - Partner goals by partner identified each year
    - Board of Partners roles and responsibilities
    - Executive committee (if you have one, or better yet, if you need one) roles and responsibilities
    - Chair of the Board roles and responsibilities
    - Managing partner's roles and responsibilities
    - Partner (client service partners, technical partners, practice leaders, etc.) roles and responsibilities
    - Manager and staff roles and responsibilities
    - Retired partner's roles and responsibilities

Succession

- We have a Succession process that we follow
    - We keep a listing of each partner's currently planned retirement dates
    - We have identified successors for each of those retiring partners
    - We have identified successors for each person who will be a partner's successor so that the successor partner can move into his/her new role unencumbered by their previous responsibilities
    - We have run models showing our projected revenue volumes at the point each partner is assumed to retire in the next 7 years, along with the projected average

book size to be managed per partner, and have people identified to fill the necessary positions (For example, if average book size is expected to be $1.25 million per partner, your projected volume is $9 million, and you will have 6 partners at the time of the next retirement [including new partners], you either don't have enough partners, or more likely, you don't have an infrastructure that supports each partner managing an appropriated sized book)

- We have run models showing we will have the right level of staffing for the projected revenues at the point each partner is assumed to retire in the next 7 years (for example, if you average $140,000 per FTE, your projected level of volume is $9 million, and you have 55 people, you either don't have enough people for the production required, or more likely, you haven't adequately trained your people to create the leverage needed for this level of production)

People Development

- We have a people development plan in place that supports our projected business growth, increasing the size of book each partner can manage, and improving the volume of production per FTE
  - We have competency models in place for every position and have a system (not for HR compliance, but actually a developmental, career pathing system) to improve performance and hold staff and partners accountable to their expected competencies
  - We have roles and responsibilities identified for multiple partner levels (from client service partner, technical partner, practice leaders, niche service line leader, etc.) and well as manager levels (supervisory manager, technical manager, etc.) to hold them accountable through compensation to always work at levels above their minimum competencies and to at least meet their responsibilities
  - We have embraced a culture of training and coaching:
    - We ensure that our people know how to manage, delegate and develop others
    - We have a process to identify, and train for, the specific competencies expected in our competency model
    - Experiential assignments are used to develop competencies
    - Formal coaching or mentoring programs are in place
    - We send our soon-to-be partners through a formal leadership (partner-in-training) development program
  - We have a culture of improving production not by increasing work hours or greater work/life imbalance, but rather though leveraging people at all levels below them
  - We don't keep people around who are marginal performers or who are clearly just out for themselves rather than the firm. We recognize the burden and disrespect this puts on those partners and employees pulling their fair share of the load

New Owners

- We have identified and formalized requirements for new owners
  - We have created a non-equity partner track to make sure new partners fit culturally with the firm before becoming equity owners
  - We have identified a "net revenue per partner" requirement for the firm, so partner slots only open up as the firm reaches revenue thresholds
  - We have an identified and documented minimum "client book" size for potential owners to meet in order to be considered for ownership

- We have an identified and documented minimum "new business development" amount for potential owners to meet in order to be considered for ownership
- We have a competency model in place that documents both objective and subjective qualities that must be met in order for a person to be considered for ownership
- We have identified and formalized the requirements to move from non-equity partner to equity partner

Standard Operating Policies and Procedures

- We have an executed partner agreement which everyone has signed that we regularly update based on our current business practices, and which includes the following standard operating policies/procedures to which we hold everyone accountable:

Retirement Benefits

- Buy-Sell policy for partner leaving due to death
- Buy-Sell policy for partner leaving and taking clients or employees
- Buy-Sell policy for partner leaving and not taking clients or employees
- Buy-Sell policy establishing valuation of partner's retirement benefit
- Terms and conditions for sale (retirement) of ownership interest
- Buy-Sell policy for partner leaving due to total disability
- Buy-Sell policy for partner leaving due to partial disability

Operating Policies and Procedures, like:

- Partner compensation plan tied to strategic plan
- Capital requirements for a partner
- New client acceptance
- Billing and collection policies
- Existing client new project acceptance
- And many more issues and policies regarding partner accountability and retiring partners which we will cover in future columns in this series

Our next column will pick up by identifying foundational issues of a good succession plan, what is at the core of making one effective, and we will continue to build from there. **And we will explain why and how the initiatives identified at the beginning of this column need to be redirected or refocused to be part of an effective succession plan.** But before we go, we didn't want to conclude this commentary without saying:

From the Succession Institute and our partner CPA State Societies, we wish you and your families a happy, healthy, prosperous holiday season and New Year!

How to Create a No Equity Partner Position in Your Firm

By Gary Adamson, CPA

Most firms are faced with the dilemma of keeping long term managers who are major contributors to the firm but for whatever reason are not ready to be equity partners (or who perhaps never will have what it takes to be equity partners). In the past, most of us would not make the decision to outplace the long term managers since from many perspectives including client service, engagement and staff management, profitability, etc., they did a great job. But, there were missing pieces to making them an equity partner - we just weren't willing to make an up or out decision although we were not willing to bring them into the partnership. So, we procrastinated until in many cases they left the firm.

We have also seen the opportunity to make partner in many firms be limited in the last few years due to the economy and slowing growth. We risk losing some of our stars because we can't bring them in as quickly as we would like.

Both of these different issues have the same result: the loss of high level, talented people. A relatively new approach to dealing with the problem is gaining popularity in medium to smaller sized firms. It is the no - equity partner position. Some firms call it a principal spot. For other firms there is a small piece of equity and they will call it a low equity partner spot. Regardless, the mission is to create an intermediate level between senior manager and partner. This type of partner position has been a common level on the ladder for the top 100 firms for several years.

Here is an outline of what the position looks like, how it differs from the normal equity partner spot and some considerations to implement it in your firm.

First, the difference between no - equity and equity should be internal only. From the perspective of the public and clients, this is a partner position. Making a new no - equity partner is a big deal and you should celebrate it inside and especially outside the firm, just as you would a new equity partner. These individuals wear the partner title.

In most firms, the no - equity partners function just like the equity partners in terms of serving clients. They probably have been already as senior managers. The differences are typically in how you pay them and whether they receive other partner benefits like buyout and retirement.

Most firms utilize a different compensation plan for the no - equity partners. They may participate in firm profits to some extent but they are typically not in the equity partner compensation plan or year end pool. It is common to see a base salary that is between a senior manager and an equity partner with a bonus potential based on some percentage of that salary or a profit pool separate from the equity partners.

The no - equities make either a very small equity contribution or none at all and they do not participate in the firm's equity partner goodwill buy out or deferred comp plan. They do participate in the firm's qualified pension plan and in most cases their other fringe benefits are the same as the benefits provided to equity partners.

From the perspective of firm governance, the no - equity partners should participate in partner meetings including firm retreats. Normally they will not be eligible for service on the firm's executive board or management committee. They will be able to vote their shares if they hold any.

Many firms use the no - equity partner position as a preliminary step to admitting someone as an equity partner. In other words, you will spend some time at the no - equity level while developing your book of business or fulfilling whatever additional requirements are necessary. Most of the time, firms will permit someone to remain indefinitely at the no - equity level. I encourage you to establish and communicate the criteria for moving to the equity level as a part of your firm's career development program. The expectations should be clear.

You may also be witnessing the phenomena in your firm where at least one or two generations of your people don't want the same things that we (the older folks) wanted. Their motivations may be different and they just might be happy (happier) with something less than the full equity role that most of us chased. Maybe title and some recognition/differentiation along with minor financial changes are the perfect combination for them.

Consider the no - equity partner position in your firm. It may be the answer to keeping talented people while helping the firm maintain the right leverage and number of equity owners.

Gary Adamson is the President of Adamson Advisory, specializing in practice management consulting for CPA firms. He is an Indiana University graduate and has extensive hands on experience as the recent managing partner of a top 200 CPA firm. He can be reached at (765)488.0691 or gadamson@adamsonadvisory.com. For more about Adamson Advisory, visit www.adamsonadvisory.com or follow the company at www.adamsonadvisory.com/blog.

What CFOs Are Thinking When They're Thinking about Their Company's Outside CPA Firm

How finance executives pick accounting firms: Join the survey; get the answers.

by Rick Telberg
CPA Trendlines

Here's some good news for accounting firms: Most companies stick with their CPA firms for at least five to 10 years. And they are loath to change. The reasons are myriad. The inherent cost of switching – getting a new set of outside accountants up to speed – is certainly one. However,

another, less tangible reason, cannot be denied: The vast majority of CPA firms develop strong and deep relationships with their clients.

And yet, there is some fragility in the relationship to which no CPA firm, or corporate finance manager, should turn a blind eye. A surprising number of corporate finance managers want more from their CPA firms.

And therein lays the opportunity for competitive CPA firms and perceptive corporate finance managers. According to CPA Trendlines research, about a quarter to a third of corporate financial officers and managers say they've worked with their outside CPA firm for over 10 years – and just as many have stuck with their external accountants for five to 10 years. Nevertheless, the same study is coming up with an interesting irony: half of all responding corporate financial officers say they would not recommend their accountants to others.

How to reach these corporate finance managers?

A number of ways: They talk to colleagues and listen to recommendations. They like networking events and seminars. In addition, they want to see a CPA firm that's committed to their community and their industry.

One anonymous CFO from a business of 11 to 50 employees said a personal interview would make a difference. Someone in a large educational organization said, "Personal contact from a firm, not just telemarketing." One CFO in Salisbury, N.C., wanted to see not just "direct contact" but "entertainment." A sense of humor never hurts.

An anonymous senior staffer at a medium-sized company came right out and said just one word. It wasn't "SOX." It was "Golf." We're not sure we'd want that guy's business. A financial executive at Sound Transit in Seattle, would like to see an industry profile of the potential new suitor. Lesson: Know your client.

Therefore, in a nutshell, there's opportunity on both sides of the CPA-CFO relationship – opportunities for CFOs to get exactly what they want, and opportunities for the CPA firms that can deliver it.

Never Underestimate the Finance Manager

When companies go looking for a new audit or accounting firm, who decides which to pick? If you ask a corporate CPA, you'll get one answer. If you ask a CPA, you'll probably get another.

Want to wager on who's right? We know where we'd put our money.

CPAs are apparently under the impression that company owners are the Dudes of Decision. In our study, "What Clients Really Want," that's what about 75% of public accountants think.

Only seven percent think the CPA in business or industry – a CFO, controller or internal auditor – makes the decision. Just five or six percent say it's the CEO, and only seven percent say the board of directors decides.

But when we asked corporate accountants who makes the decision, we got a whole 'nother point of view.

CFOs seem to think that they, the CFOs themselves, make the decision. At least 56 percent of them think so. Only 26 percent said it's the owner. An equal percent attributed decisions to the board of directors.

See the problem? An awful lot of perfectly professional CPAs are pitching to and trying to please the owners of companies, when apparently it's the company's number-crunchers who decide the fate of firms.

Consider, you CPAs, how this affects your business. Do your marketing efforts target the right person? Do they carry the information that person is looking for? Does your communication with the client reach the ears and eyes of the right person? Whom are you taking to lunch next week?

Granted, there's a one-in-four chance that CPAs should be focusing their attention on the owners of companies, and certainly that's almost always true in small companies. And though the CFO or controller is your key contact in half of companies, that's only one out of two.

The point is, the decision-maker isn't always who you think it is.

And here's something else CPAs might not be reading correctly: their own popularity with the client. Forty-three percent think "nearly every client" would recommend them to their close friends. Another 38 percent think "most of them" would make the same recommendation.

Clients, however, seemed to have a markedly lower opinion of their auditors. Only half would recommend their CPA to a friend.

Those two findings – that CPAs often don't know who makes the decision to hire or fire them, and that they are a lot less loved than they think they are – should be enough to put any sane auditor in a sweat.

When we asked why clients switch firms, 79 percent said poor service. Price would negatively inspire 66 percent. Too little time with the firm's top people would terminally annoy 38 percent, while bad chemistry could taint relations at 34 percent.

Differences over technical issues came up a lot. So did "auditor not proactive enough" and "friendship at another firm". Some companies would change firms if they needed new or difference services.

A few offered answers we hadn't thought of.

A top finance executive at told us “lack of continuity on audit team” could send him looking for a new audit firm.

A financial officer in Giza, Egypt, had a good reason for looking around: “We’re looking for an international firm.”

A senior financial executive at a San Francisco start-up summed up several good ways to keep clients on board. “Listen and respond,” he said. “Treat the client as important even though fees may be low. Once fee is set, quit whining to the client about lack of profitability.”

But the best advice we can think of is this: Know your client, not just your contact, but the whole company. Know who makes the decision. Know how the decision gets made. Then help them make that decision. The right decision.

Rick Telberg is president and CEO of CPA Trendlines Research, the leading independent provider of actionable competitive intelligence for the tax, accounting and finance community and the vendors which serve it, available at http://cpatrendlines.com.

How Does Your Firm Compare?

Understanding what sets your firm apart enables your entire team to communicate effectively with clients and prospects and win more business for your firm. There are a variety of methods for determining your differentiators, including conducting SWOT analyses on your firm, people, and initiatives as we discussed in our last marketing article. Once you’ve completed your SWOT analyses, it’s time to conduct a competitive analysis by asking others, such as your clients and alliance partners, how you compare to similar firms and exploring the public domain.

When asking others what they think your competitive differentiators are (either via a formal survey or informal conversation) ask questions such as:

- What value, characteristic, or other deciding factors were important to you when seeking our services or considering an alliance?
- Why did you choose to work with us over others?
- What do you see as our strengths and competitive advantages?

You can also ask your vendors and previous employees how they perceive you and how they would compare your firm to other firms like yours. Information from clients, alliance partners, former employees, and vendors should be considered “soft” feedback because it’s the opinion, or perspective, of others.

Next, you’ll want to gather “hard” facts about your competitors by reading their web sites, social media information, brochures, sample proposals, or other documents that may be in the

public domain. The beauty and curse of the internet is the plethora of competitive intelligence that is available about your competitors - and your own firm. Using simple searches, you will find information about your competitors' firms, their services, niches, clients, and how they've positioned themselves by exploring who they say they are to others.

The information you find about your competitors should be captured in a simple grid that has a column for your firm and each competitor and rows to capture the specific information you have obtained (their mission, industries serviced, service offered, HR benefits, etc.). Gathering information in this manner enables you to compare your firm in a side-by-side manner and helps you identify the specific strengths of each competitor in relation to each other and your firm all in one place.

Your competitive analysis grid should be updated at least annually to garner new or changed information. You should probably keep the analysis within your leadership or management team and be sure to stress the use of this information for internal purposes.

Once you have undertaken your SWOT analyses, asked others for soft input, and explored the hard facts through competitive analysis, you'll be ready to identify your unique competitive advantages. Remember to define differentiators that are real, tangible, can be proven, and are sustainable over time. The exercise of self-analysis and competitive analysis will also enable you to "get real" about your specific weaknesses, allowing you to develop strategies to manage them into strengths over time and design methods for handling objections related to those weaknesses as they arise.

When you're in clear agreement about your competitive differentiators, you'll be ready to share them with others by weaving them into all of your firm's communications vehicles including your:

- Web site and social media pages
- Brochures and other collateral materials
- Proposal/e-mail templates and sales letters
- PPT presentations
- Newsletters
- Employee recruitment materials, handbooks, and training materials
- Telephone scripts and automated messages

If you feel that you are already clear on your competitive advantages, ensure that your people are able to articulate your advantages effectively and in all communications mediums within your firm.

Identifying, communicating, and then committing to evolve your competitive differentiators will help you stand out among prospective clients and employees and solidify loyalty in your existing relationships. Make the investment to know and let others know; it's worth it!

Krista Remer is a consultant and Jennifer Wilson is a partner and co-founder of ConvergenceCoaching, LLC, a leadership and marketing consulting and coaching firm that specializes in helping leaders achieve success. Learn more about the company and its services at www.convergencecoaching.com.