Public Practice E-News
April 2015

This electronic newsletter is prepared especially for public practitioners and is sent bi-monthly to members of the Puerto Rico Society of CPAs. This e-newsletter features regular commentary from TSCPA Member Bill Reeb, a CPA firm consultant based in Austin. For questions or comments concerning the articles featured in this issue, or to suggest future topics, please e-mail Reeb at bill@tscpa.net.

From the BILLiverse

In the first three articles on this topic, Bill Reeb covered the upside down pyramid and how to organize job responsibilities so that you can hold people accountable for training and development. The last and final step to cover in this series is: Creating a Developmental Action Plan (Step 8). Since some people believe that action planning and identifying measures of success are difficult activities, an example of what a plan might look like is given, as well as a sample action plan to walk you through an area for improvement. The information provided can assist you in building a stronger firm and developing people more quickly to be better, faster and stronger. By trying something new or pushing their boundaries, employees can help make your firm its very best.
Read Reeb's commentary
Link to Bill Reeb article

The Risks Accountants Would Rather Ignore

In most things, CPAs are paragons of caution and care. However, findings from the new Accounting Firm Operations and Technology Survey reveal widespread weaknesses in accounting firm technology strategies, which can result in potentially disastrous risks for their firms and clients. Accounting firms aren't merely falling behind the technology curve. They are taking on a new category of risk – the risk of sudden, unforeseen and irrecoverable disaster. The black swan event.
Rick Telberg takes a closer look
Link to Rick Telberg article

Marketing Tip: Six Questions That Will Change the Way You See Your Accounting Firm's Marketing Program

With the tax season completed, now is a good time to identify improvements that might be needed for your firm's marketing efforts. Jean Marie Caragher has six questions that will get you thinking about potential changes to enhance your current program.
Read the article
Link to marketing article

Client Service - Be Honest, Are You Really Different?

CPAs working in public practice often say, "We are different!" Are they? Most CPAs will honestly disclose that they are more reactive than proactive. In this way, they are not much different than their competitors. Rita Keller describes how firms can be more proactive in their client service.
Learn more
Link to Rita Keller Article

The Successful Accounting Firm of the Future
This is a pivotal time for CPA firms and the profession at large. Many firms are experiencing succession planning issues. To adapt to the shifting needs of their workforce and clients, CPA firms will need to make significant adjustments. The successful accounting firm of the future is one that focuses on continuously refining and adapting the following core elements: culture, innovation, opportunities for growth and development, balance and flexibility, technology, and empowered people.
Sarah Elliott takes a closer look
Link to article "Successful Firm of the Future"

Effective Ideas for Accounting Firm Business Development
Business development is different from marketing and branding communications. CPAs at firms of all sizes need to develop the 'rainmaking' skills that are so valuable in a business development situation versus the skills necessary for marketing their firms. These practical and effective ideas can assist in filling the pipeline with qualified prospects and also converting prospects to clients.
Learn more
http://www.accountingweb.com/article/10-best-ideas-accounting-firm-business-development/224436

Ways to Acquire New Clients Through Public Speaking
People do business with professionals they see as experts in their field. Speaking before an audience is an ideal way to gain credibility. How do you go about getting speaking engagements? This article covers tips on how you can develop topics, identify potential venues and be on your way to getting on the speaking circuit.
Read the article
http://www.accountingweb.com/article/8-great-ways-get-new-accounting-clients-public-speaking/224410

Q&A: How Can Firms Implement Value Pricing?
A growing number of pricing experts are urging CPA firms to do away with the billable hour and replace it with value pricing. Value-pricing advocate Ron Baker recommends using price-led costing and nominate a value council to set prices. This Q&A session, the second in a series, focuses on the ways firms can set prices and evaluate performance when using value pricing.
Read the Q&A session
http://journalofaccountancy.com/news/2015/mar/how-to-implement-value-pricing-201511924.html

Want to Make a Career Change? Consider These Tips First
Accounting professionals have several career paths available to them, including public accounting, industry, government, academia, and nonprofit organizations. It's important to do serious research and self-reflection before deciding to make a career switch. People who make a change without thinking it through may find themselves somewhere they didn't want to wind up. CPAs considering a change should take a look at these tips before they make a decision that could limit their future career choices.
Learn more

http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2015/CPA/MAR/Readthesetips.jsp

What You Need to Know Before You Buy a CPA Firm
When buying a CPA firm, it's important to have a noncompete agreement. You'll want to make sure the noncompete agreement will protect you if the seller decides to get back into public accounting. The agreement should be negotiated and agreed upon when you and the seller are negotiating all of the sale terms. There are four points to consider.
Brannon Poe takes a closer look
http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2015/CPA/MAR/noncompete_agreements.jsp

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Developing People Faster Takes a Different Approach – Part 4

By Bill Reeb, CPA, CITP, CGMA

In our first three articles on this topic, we introduced the upside down pyramid, with the common results of having under-worked and under-trained staff. We also covered how to organize and step up job responsibilities so that you can start holding people accountable for training and therefore develop your people better, faster and stronger. The first six steps we covered were:

Step 1: The Solution or Reversing the Pyramid
Step 2: Understand and Embrace the Critical Importance of the "Learn, Try, Fail™" Cycle
Step 3: Putting the Development Ingredients in Place
Step 4: Everyone Needs to Report to One Boss
Step 5: Create Developmental Managers, Their Role and the Organizational Chart
Step 6: Make Sure Your Developmental Managers have the Right Tool Kit to do the Job
Step 7: Having Firm-Wide Accountability is a Requirement

This leaves us with the last and final step, which is:

Creating a Developmental Action Plan (Step 8)

So, given where we have been, it is time to move on to an example of what a plan might look like. We have created a sample action plan to walk you through one area for improvement to simplify this discussion. Some people believe that action planning and identification of measures of success are difficult activities. Hopefully, we will dispel that notion with this brief explanation. Take a quick review of the action planning Excel worksheet below and then we will get into the details of how to decode it.

Name:	
Date:	

The spaces below are provided to help you organize your thoughts. Please use additional paper, if necessary.
What Red Zone area do you plan to improve?
Execution
What is the definition and scope of this area? (Refer to the Resource Guide)
Setting clear, realistic goals and objectives; possessing an unwavering resolve to ensure that a plan gets executed; knowing how to effectively allocate resources to achieve goals; demanding results

What are some of the capabilities of leaders who perform well in this area? (Refer to the Resource Guide)
Relentlessly pursue strategies
Identify and prioritize the specific goals and objectives
Know how to accurately measure progress against a plan
Allocate the necessary resources in the right areas to achieve their plans
Demand results – won't tolerate missed deadlines
Confront business performance issues
Hold people accountable
Execute their plans
How do your results compare to these best practices?
55% positive score on having an unwavering resolve to achieve goals
18% positive score on setting clear, prioritized goals
36% positive score on establishing measurements for success
27% positive score on aligning organizational resources
27% positive score on monitoring progress against goals
27% positive score on assigning clear accountability
36% positive score on allowing self to be held accountable
18% positive score on willingness to confront performance issues
45% positive score on demanding measurable results

What is your plan for improvement in this area?		
Action Item	**By When**	**How Success Will Be Measured**
Begin to better manage projects under my control by full use of firm tracking systems	6/20/XX*	More timely turnaround of projects; fewer last-minute rushes and/or slipped deadlines
1. Meeting with leader to review how to use the tracking report	7/2/XX	Completion of the meeting
2. Status review of project tracking report and actions being taken	7/16/XX	Completion of bi-weekly meetings until manager of leader feels confident, then the meetings can be cancelled or timeframe between meetings expanded
For items I delegate, I will set clear expectations as to deliverable expected, budget for the work, deadline for completed product	6/20/XX*	Better staff efficiency, fewer write-downs over time, fewer last-minute rushes and slipped deadlines

1. Two unscheduled drop-ins to meetings leader is having with staff reviewing project plans, progress and actions	7/2/XX - 9/15/XX	Manager of leader dropping in unscheduled on at least two meetings and listening for clear communications
I will appropriately monitor progress on delegated tasks, roles, activities, with frequency	6/20/XX*	Better staff efficiency, fewer write-downs over time, fewer last-minute rushes and slipped deadlines
1. The leader will keep a log on project monitoring frequency, conversations with staff regarding project progress, outcomes or actions identified as a result of those meetings, etc.	6/20/XX*	Log turned in to manager of leader monthly for review. No intervention required unless log highlights an issue that needs to be addressed
Work closely with the scheduler to plan and anticipate personnel needs for projects	6/20/XX*	Less ambiguity when it comes to staffing jobs, resulting in better planning for the work
Step up and take responsibility for what works and doesn't work under my management	6/20/XX*	Partners will see me as being held accountable
Will be addressing unsatisfactory performance through regressive cycle interventions on tasks, jobs, etc. that I have delegated	6/20/XX*	Staff efficiency and output will be improving, as will staff skills
* Starting dates, but efforts will be ongoing here.		

We patterned this after the Succession Institute's competency model, but you can use a model you developed internally or one you acquired from other sources. Regardless of the model used, the approach is still the same. As we walk through this spreadsheet, we will show you how easy it is to create action plans and identify measures of success.

At the top of the form, you'll see that we've chosen the competency area of "Execution" to pursue for improvement. (We chose that because our assessment process unveiled that this was a problem area.) This was a red zone area – a competency area that was highlighted for attention for a particular partner in the 360 feedback received from the managing partner, partner peers and direct reports.

Next, we look at the definition and scope of this area. According to our competency model's resource guide, Execution is all about setting clear, realistic goals, possessing an unwavering resolve, demanding results, and the like.

Continuing on through the form, we see a listing of some of the capabilities we can expect to find in leaders who perform well in this competency area. Next, we will pull from our competency assessment any statement areas that show low scores as these are ripe for improvement and change. Normally, we consider a score to be “low” if half or less of the total responses agreed or strongly agreed that the leader exhibits that behavior. In this case, the leader only scored above 50 percent on one item (that was “having an unwavering resolve to achieve goals”). Because of the generally low level of scoring in this area, and because 55 percent is borderline anyway, we listed this behavior as well, even though it’s higher than 50 percent.

All we’ve done thus far is simply gathered and organized information from the competency model’s resource guide and the assessment/evaluation process. Now we need to do some thinking. If you are new to this or you have an unusual situation, you might find it valuable to get some sounding board help and clarification assistance from your boss, a trusted colleague or two, or a consultant. What we’re trying to determine here is: what’s going on? What might be some causes of the negative behaviors that are being seen? What do we need to do differently to be more effective? And what can we do to strengthen desired behaviors and limit undesired behaviors?

If you look at Execution, it’s about setting clear goals, letting people know specifically what their assignment is in achieving the goals, and monitoring performance to be sure that the goals are being met. In the event that goals or deadlines are missed, we need to be having discussions to determine why and address the causes. This is all about effective delegation and project management. Sometimes after you have done your analysis, you might find that this person is being blamed for inheriting the problems others have caused, like a partner committing to unreasonable dates, fees, etc.

Assuming this is not the case, the managing partner and this partner have identified some simple steps that can be taken to improve performance in this area. By the way, it is always a good idea to allow the person being evaluated to come up with some ideas as to how to improve before you, as the leader, finalize the action plan. These actions will be continued through the next evaluation period. The first action listed is to use existing firm resources to better track projects under his/her management. If the firm didn’t have a satisfactory system, this action item would be to create a process to better track his/her projects. If you can’t track the projects, how will you know if he/she is progressing as planned or if you will hit your deadlines?

As to measures of success, a reasonable and intelligent person should be able to tell if last-minute rushes are decreasing, if projects are turned around more quickly, or if deadlines are being met. But you might also include a meeting in the next few weeks with the worker to verify his/her understanding of the project tracking report. As well, you might set up a meeting to review the tracking report every couple of weeks until you are confident the report is being used properly and that actions are being taken in a timely manner.

Next, the person being evaluated and looking to improve will begin being more clear at the outset in his/her delegation, setting clear expectations of what is to be done, by when, and within what kind of time budget. How will we know if this is working? We should see better staff efficiency, fewer write-downs, fewer last-minute rushes and a decrease in missed deadlines as a result. We can also sit in on a meeting or two between the leader and staff on various projects to hear first-hand how clear this information is being conveyed.

However, that's not all that it is required to execute effectively. Our leader will need to be closely monitoring delegated activities and tasks at the appropriate frequency, to hold others accountable and assure that plans and deadlines are met. How do we know if this is working? The same success measures as we identified for the previous action item should work well here too. We could also request that the leader keep a log for a period of time as to how often this monitoring took place, how those conversations went, outcomes or actions taken as a result of those meetings, etc. It is amazing what happens when people are asked to keep logs – they become more aware of how infrequently they are doing what they are supposed to be doing. One word of warning … we are talking about steps you might take to improve a skill or capability. You will likely see quick improvement with this heightened awareness and focus. But don't make the common mistake we as accountants make and take a good technique and overuse it. For example, don't make people keep logs on everything or you will find the technique losing its impact and you will end up creating a bureaucracy that will become an administrative burden and hurt your overall production.

As you read through the action items, you will see that each is very straightforward. Action plans should be as simple as possible and when logical, have some kind of review date scheduled, output expected or something that allows the person being managed to communicate their effectiveness or changes they are making. We use this next phrase often during our action planning coaching process: "Please help me come up with something that allows you to clearly communicate with me how well you are doing on this. I am looking for ways to give you credit for whatever improvements you make, but I need a way to monitor or verify your performance so that I can give you that credit." And we mean just that … we want our direct reports to be successful, but we can't manage their evolution unless we come up with ways to monitor it that don't create an excessive administrative burden for either of us.

Note that the measures of success refer to outcomes. Action items are the inputs, and measures of success identify the outputs – what should happen if you carry out your actions. These plans indicate that the leader is looking for increases or reductions in certain things. You could take the measurement process a step further and indicate how much of a reduction in write-down you are looking for, say a 10 percent reduction in write-downs. Further, you could start "exception" monitoring and say that you want "two or less" missed project deadlines in a given period, for example. So clearly, we did not try to take our example to that level, but we easily could have.

Part of being accountable and holding others accountable involves identifying how we will define success. Some definitions are qualitatively measurable, while others are more quantitatively

measurable. Don't make this part harder than it needs to be. Look for what you want to change as a result of your action steps. That's what you want to measure to be sure that what you're doing is working. It's that simple.

Finally, we just want to point out that, from a simplistic point of view, you could create the action plans with only one basic outcome required – that the leader raises his/her evaluation scores in the specific identified areas to meet minimum criteria. As always, keep in mind that you need to customize your action plans and measures of success to meet your needs and fit your circumstances.

Food for Thought

We hope this article series has provided some food for thought on how to develop your people more quickly to be better, faster and stronger. The kind of changes we have been describing will not only over time build a stronger firm and put more money in everyone's pockets, it will lessen the current performance pressure on everyone throughout the firm.

The implementation of this process, just like everything we do that is new, will go through the iterative cycle of "Learn, Try, Fail™." Don't be discouraged as you see failure or people struggling to implement these changes; be encouraged by the fact that everyone is pushing to get better and that this environment is rife with failure. But failure is a sign that someone is trying something new or trying to push his/her boundaries, which is exactly what will make your firm the best firm it can be. Good luck in pursing this exciting developmental adventure.

The Risks Accountants Would Rather Ignore

Study reveals widespread weaknesses in accounting firm technology strategies

By Rick Telberg
CPA Trendlines

Accountants aren't known for their risky decisions. Quite the opposite, in fact. In most things, accountants are paragons of caution and care.

That is, "in most things."

However, as the new Accounting Firm Operations and Technology Survey shows again and again, accountants are taking sometimes potentially disastrous risks with their firms and – worse – with their clients. The new survey report, available at http://store.cpatrendlines.com, is authored by Randy Johnston and Leslie Garrett, and edited by Brian Tankersley, all of them well known in the profession for their business savvy.

The risks go beyond merely "falling behind" the technology curve because of traditionally penny-wise, pound-foolish spending. At one time, falling behind risked obsolescence or worse, maybe irrelevance – either of which was a business risk, but a risk that could only be measured by benchmarking against "the competition," whatever that was.

Today, accounting firms are taking on a whole new category of risk – the risk of sudden, unforeseen and irrecoverable disaster. The black swan event.

This year's survey lays it out in stark and frightening detail. For instance, 22 percent of firms are delivering client tax returns by email, despite the broadly known risks to client privacy. Lesser security breaches have wreaked catastrophic consequences on global corporations. Accountants are fooling themselves if they think themselves immune.

The vast majority of accountants are working while on the go. This isn't new, of course. But the risks of something going wrong are only escalating. Not enough firms have deployed sound security policies or installed the systems necessary to safeguard client and firm data. In fact, 55 percent of firms don't support tablet devices. That's bad on two counts. Count one: Tablets are awesome tools for getting work done and more firms should be supporting their use. Count two: That means 55 percent of firms have no way of managing the security of employee tablet use or any hope of developing a technologically progressive strategy for adoption.

Firms aren't just gambling with client data and security. They are also playing Russian roulette with their own business operations. For example, 10 percent of firms have suffered a network failure or software lock-up that caused "major" downtime in the past year. That's a lot of billable hours at stake, not to mention potentially catastrophic fallout from missed due dates or surprised clients.

The appalling paradox, of course, is that most accounting firms aren't blind or deaf to the issues. They fret about them all the time. The problem is that too few are doing anything about it.

The study clearly shows that firms understand the imperatives of improving workflows – for effectiveness, efficiency, speed and cost. But too few have any real plans in place to move forward.

The study also shows that firms are happy to have employees work from home, sometimes on their own hardware. But few have any idea on how to manage the phenomenon, benefit from it, or minimize all the obvious risks.

Too many firms don't back up their email safely. Too many have no policy to purge old files. Or, if they have a policy, too many don't follow it.

Most firms don't even have a regular upgrade schedule for their most critical servers. Also, most firms have no professionally designed document management system. And what is an accounting firm but a living, breathing document management organism?

A third of firms are still relying on spreadsheets to run their audit work. Who wants to defend that practice in a liability trial?

The vast majority of firms can't even budget effectively for their technology. A whopping 85 percent fail to break down their tech spend to a per-person metric. Firms certainly calculate per-person metrics for all sorts of other activities, ranging from rent to pencils to health insurance. Why not tech? About 38 percent of the people in charge of technology strategies regard technology not as a potential competitive differentiator capable of providing competitive advantage, but, sadly, as a mere expense item.

Perhaps the most alarming finding from the study is that too many firms don't know what they don't know. And what they think they know is wrong.

A third of firms believe they currently use nothing that could be considered a cloud service. Psssst: If you're reading this, you've been using the cloud. More astonishing, two thirds of firms say they aren't even considering a cloud solution. Another pssst: if you're thinking of upgrading your phone, you're already considering a cloud solution.

The single most worrisome finding from the study is that most accounting firms don't have – and don't believe they need – anyone at the executive level with technology expertise. Sadly, the study makes clear that accounting firms may know accounting. They may know auditing. And tax. And many other things. But only a few fully grasp technology.

Maybe Mark Twain said it best, "It's not what you don't know that kills you; it's what you know for sure that ain't true." There's a lot of truth in the Accounting Firm Operations and Technology Survey. Some of it is painful.

About the Author: *Rick Telberg is president and CEO of CPA Trendlines Research, the accounting profession's home for actionable intelligence.*

Six Questions That Will Change the Way You See Your Accounting Firm's Marketing Program

By Jean Marie Caragher

With another tax season completed, this is the perfect time to identify the improvements needed for your marketing program. Here are six questions that will get you thinking – and change the way you see your accounting firm's marketing program.

1. Where did your new business come from?

If you have a process to track your leads, proposals, wins and losses, then you can answer this question. If not, now is the time to start. Despite the variety of customer relationship management (CRM) and sales management programs, Excel is the software CPAs use most often to track new business development. Create a spreadsheet to capture: the prospect's name, contact person, referral source, services to be provided, estimated fee, estimated decision date, next steps, and whether the opportunity is ultimately won or lost. Consistently tracking this information enables you to identify your most important referral sources, to thank them, and to send leads their way. It also highlights the marketing initiatives that result in lead generation.

2. Which clients did you lose and why?

CPAs lose clients for a variety of reasons, including the sale or dissolution of a client's business, poor client service, not being proactive enough, and fees. What percentage of your lost clients was in your control? Or out of your control? Which of your lost clients should not have been your client in the first place? This information can serve as a learning opportunity for your entire team regarding new client selection, client service and communication.

3. How often are you communicating with your clients and prospects?
Are your clients receiving valuable information from your competitors rather than from your own firm? To be considered your clients' "trusted advisor" or "business advisor" and their CPA, you must provide them with tips, alerts and guidance about how they can be more profitable, save taxes, and improve efficiencies, as well as educate them about tax and audit rules and regulations. Your face-to-face and telephone conversations with clients can be supplemented with e-newsletters, webinars and seminars to share your thought leadership or intellectual capital. You want to be the go-to source when your clients and prospects need solutions for their challenges and concerns. This will translate into special projects and new business referrals, which should be added to your new business development report (above).

4. How is your website contributing to your lead generation efforts?
A CPA firm website is a must have and needs to be more than a static online brochure. Upgrading the website is a top marketing initiative of CPA firms. Upgrades include responsive design, search engine optimization, videos, blogs, archived e-newsletters, links to social media (LinkedIn, Facebook, Twitter, Google+, YouTube) and sharing thought leadership through inbound marketing. With the right strategy and components, your website can be a source of new business leads for your firm.

5. How do your clients rate their level of satisfaction with your firm?
Do you ask your clients questions related to client service and satisfaction? If your firm is like most CPA firms, your answer is no. The majority of CPA firms have no formal client satisfaction program whatsoever. In the 2011 PCPS CPA Firm Top Issues Survey, retention of current clients showed up on every segment's top-five list. Yet, retention of current clients only made two groups' top five in 2013 (sole practitioners and firms with 11 to 20 professionals). CPAs are confident in their ability to retain clients, but are primarily unwilling to measure their satisfaction. Client retention is necessary for firm growth. Client service can be a point of differentiation. Read our complimentary eBook, *Client Satisfaction Surveys for Accounting Firms: The Answers to Your Most Frequently Asked Questions*, to make 2015 the year you begin to measure client satisfaction.

6. What changes are you willing to make to improve the results of your marketing efforts?
Einstein defined insanity as doing the same thing over and over again and expecting different results. Pick one initiative – it may or may not be one of the above – and create a plan of action. This will change the way you see your CPA firm's marketing program by providing information to help you make smart decisions.

About the Author: Jean Marie Caragher is president of Capstone Marketing, providing marketing consulting services to CPA firms, including Brand Surgery℠, marketing and strategic planning, inbound marketing, retreat facilitation, and training. She is the author of *The 90-Day Marketing Plan for CPA Firms: How to Create the Roadmap for Your*

Firm's Growth. For more information, contact her at 727-210-7306 or jcaragher@capstonemarketing.com.

Client Service - Be Honest, Are You Really Different?
By Rita Keller

CPAs working in public practice tell me all the time … "We are different!" They go on to give me examples of how they do this differently and how they do that differently. Honestly, leaders from firms of all sizes usually give me the same exact examples … Not so different!

When I dig a little deeper and inquire as to exactly how they are different from their competitors, most of them say, "It's because of our client service." They continue to describe how they are responsive, return phone calls quickly, urge clients to call their mobile number and are available to their clients almost 24/7.

As it turns out, they are reacting to client requests and questions. Notice I said REACTING. Most CPAs will honestly disclose they are more reactive than PROACTIVE.

Here's my personal story about client service regarding a visit to a Ritz Carlton Hotel.

Eddie, the bellman/valet guy (young, smiling gentleman), opened the door to my taxi, introduced himself, welcomed me and inquired as to my name. As he walked me to the registration desk, he asked where I was from. When I said Dayton, Ohio he remarked, "I attended UD!" (University of Dayton) and we chatted briefly about Dayton. As we arrived at the registration desk, he introduced the gentleman at the desk to me, "This is Ms. Keller. She's ready to check in."

During my stay, at both of the hotel restaurants (lunch and dinner), so many people asked: "Can I help you? May I be of assistance? Is there anything you need?" At both restaurants they inquired if I was staying at the hotel and asked my last name. From that point forward, everyone in the restaurant(s) called me by name, "Ms. Keller." After dinner when I departed the restaurant, a different maitre d' was on duty and said, "Good night, Ms. Keller."

People enjoy being called by name and they hate it if their name is mispronounced or misspelled. Has your firm ever misspelled a client name in an email, in a letter, on a tax organizer or other paper mailing? It's a huge faux pas! Even worse, has your firm ever mailed something to a deceased client? The relatives sure hate that one!

The Ritz Carlton gets it right because they have systems. They teach their employees and the employees practice what they have learned.

The next day as I was leaving the hotel, Eddie greeted me again and immediately said:

"Did you enjoy your stay, Ms. Keller? Are you heading back to Dayton? Why don't you use our car. It's just slightly more than a taxi and much more comfortable."

I couldn't keep track of how many people (employees) asked me during my 30-hour visit if they could help me or assist me in any way.

What's it like at your firm? How often do you ask your clients if you can help them in any way? How often do your employees, during client interactions, use the client's name and inquire if they can assist or if the client has any questions? Have you trained your people to introduce themselves to visitors waiting in the lobby and to simply be friendly?

Practice civility. See the quote below from the Dalai Lama.

"Love and compassion are necessities, not luxuries. Without them, humanity cannot survive." - - Dalai Lama

About the Author: Rita Keller is the founder and president of Keller Advisors, LLC (http://ritakeller.com), co-founder of SurveyCPA and a widely respected voice to CPA firm management. Through her presentations and workshops, she interacts with thousands of accountants annually. Named as one of the Top 100 Most Influential People in Accounting, she acts as an advisor and management resource to CPA firm leaders across the country. She can be reached at rkeller@ritakeller.com. mailto:rkeller@ritakeller.com

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The Successful Accounting Firm of the Future

By Sarah Elliott, CPA

Leaders from nearly every firm I've spoken with recently are looking to hire people at almost every level and department within their organization. By now, certainly we are all aware that our profession is undergoing a succession planning crisis. It seems that there just aren't enough good people to go around. What are you doing to attract and retain great people?

This is a pivotal time for CPA firms and the profession at large. Why don't we embrace this opportunity to take a critical look at our existing people strategy (do we even have a true strategy?) and determine whether we are doing enough to attract and retain great people? I suppose one strategy is to continue to complain about millennials, how entitled they are, how they don't appreciate what they have, [insert other negative stereotypical assumption here], and wait it out, hoping it will pass. At best, this is a losing strategy that wastes time and energy that could be spent innovating new and creative solutions.

Personally, I tire of hearing the same negative complaints about millennials, and I believe they are a gross misperception of reality. Our young professionals are bright and talented. They have much to offer if we would only get to know them better. When we empower them and ask for their opinions, we will learn they have a lot of great, innovative ideas. Our young professionals are looking for purpose and meaning in their lives, and they want to change the world for the better. They want us to trust and believe in them. Instead of trying to force them into that old, familiar box that we're comfortable with, why don't we try trusting them? If we don't adapt, the best and brightest will leave the profession or, even worse, never enter it in the first place.

To adapt to the shifting needs of our workforce and clients, CPA firms need to make significant adjustments in how we run our businesses. The successful accounting firm of the future is one that focuses on continuously refining and adapting the following core elements: culture, innovation, opportunities for growth and development, balance and flexibility, technology, and empowered people.

Culture. The firm of the future has its own unique culture that differentiates it from competitors. Culture starts with a distinctive core purpose, core values and vision that are embraced at all levels throughout the organization and drive organizational behavior, including hiring and evaluation of personnel, client service approach and marketing strategy. Because the firm has such a strong culture, it attracts its most desirable employees and clients without trying very hard.

Innovation. The firm of the future thinks outside the box, challenges existing paradigms and produces fresh, creative solutions to problems. A collaborative approach is used to tackle all challenges, soliciting input from all levels of the organization.

Opportunities for growth and development. The firm of the future provides ample opportunities for the personal growth and professional development of its people. The firm provides much more than technical training, including professional skills such as leadership, networking, business development, people management and communication. Such skills are taught at all levels of the organization through on-the-job training, one-on-one coaching and formal workshops or seminars. The firm's environment supports lifelong learning and allows its people to make mistakes safely and learn from them.

Balance and flexibility. The firm of the future not only recognizes that its people have lives outside of work that come first, but actively supports its employees to insure they achieve work-life balance. The firm embraces flexible work arrangements and tailors

performance goals and compensation models to meet each individual's needs and desires.

Technology. The firm of the future leverages technology to support the needs of its clients, employees and profitability. The firm's technology enhances the client experience in a secure and confidential manner, enables an anytime, anywhere work environment for its employees, and streamlines its business processes to perform work faster and smarter.

Empowered people. The firm of the future empowers its people to make a meaningful impact in the organization. Some of its greatest ideas come from its youngest people because their opinions are regularly solicited. Employees are given responsibility and authority with appropriate guidance and supervision, which results in innovative, fresh solutions on a regular basis. Employees feel invested in, and loyal to, the firm since they know they had a hand in building it.

If we each took an honest look at our firms, I guarantee we would identify areas where we could improve, no matter how forward-thinking we believe we are. Do we provide meaningful, comprehensive (i.e., more than just the technical skills!) training and development for all levels of personnel? Do we insure each individual achieves his/her personal definition of work-life balance? Do we ask our people what they want in terms of client opportunities, working conditions, development and leadership roles, or do we make assumptions as to what they want or assume each person wants the same thing? Do we provide a flexible work environment that allows individuals the freedom to work under the conditions that enable them to be most successful? Do we provide interesting and challenging work for them and on-the-job coaching? How do we engage employees such that they feel they are an integral part of the firm? Do we provide them with purpose or just a paycheck?

I realize these suggestions require investments of time and money, and we all know that time equals hours that could be spent on billable work. However, the economics are quite simple. Employee turnover costs money, and not maximizing the potential of our existing people or hiring even better people limits opportunities for future growth and profitability. The amount of money invested to attract and retain the best and brightest is a small price to pay when compared to the return on investment achieved by having a more talented and effective workforce.

I challenge each of us to think beyond the next billable hour and shift our focus to increasing the potential for exponential future success.

About the Author: Sarah Elliott, CPA, partners with executives and emerging leaders as a professional coach in a thought-provoking and creative process, inspiring them to maximize their personal and professional potential. She is also the founder of Ellivate Advisors, an advisory firm offering strategic implementation services to CPA firms nationwide. More about her is available at www.ellivateadvisors.com.