



Convergence Coaching®
Helping leaders achieve success.™



Leading Amidst A Sea Of Change

Facilitated by:
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Our Objective



- To discuss market drivers causing a sea of change in the profession and areas where leading firms are focusing: consulting and people





"A storm is brewing in our nation..."

- The CPA Consultants' Alliance



What Kind Of Storm?



- In the U.S., an estimated 78 million Baby Boomers will retire in the next 12 to 15 years
 - The first group is turning 67 this year
- In his June 2012 Journal of Accountancy article, Senior Editor Jeff Drew estimated that in the next few decades, “more than 100,000 baby boomer CPAs are likely to retire, creating a void that new leaders will have to fill”



Turnover Predicted, Too



- According to a July 2012 *HR Magazine* article entitled, “Drive Turnover Down” cited:
 - A Right Management Survey of more than 1,000 people in the U.S. and Canada cited **that a “whopping 84% of employees said they planned to search for a new job in 2012”**
 - CareerBuilder’s 2012 U.S. Job Forecast report where **“34% of HR and hiring managers have reported that voluntary turnover at their organizations rose in 2011”**
- The primary reasons given for the turnover were a **“desire for higher compensation and feeling overworked”**



This Issue Affects Clients, Too!



- 25% of the 1,600+ businesses surveyed “expect to change hands in the next five years” (PWC Family Business Survey “Kin In The Game”)
 - Of all of the businesses surveyed, nearly half do not have a succession plan
- U.S. DOL predicts that accounting openings will grow by 18% by 2016
- 69% of U.S. CFOs surveyed for Robert Half’s Q312 forecast said “it is challenging to find skilled accounting and finance professionals today”





“The ‘graying of America’ will drive the most significant transfer of knowledge, capital and ultimately, wealth that we have ever seen.”

The CPA Consultants’ Alliance



CPA Services Are Under Pressure, Too



- Certainly since the 2008 downturn, fee pressure has been a continual issue for firms
- Improved technology, information access and the opportunity offered by Sarbanes and other legislation has placed the CPA firm loyalty/annuity model under great pressure
- While firms pride themselves on client service, few truly develop deep relationships, offer difference-making value or invest the time to engender the loyalty and appreciation that will lead them to continuity and higher margins





Leading Change

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“Leadership is the process of influencing people while operating to meet organizational requirements and improving the organization through change.”

Donald R. Clark, Big Dog’s Leadership Glossary



Your Role Amidst Change



- Your job is to help your leadership team, and ultimately your firm, navigate change
- Be relentless to drive change in your strategies and programs
 - ...or you'll spend all your time backfilling lost clients and staff
- Let's begin with a focus on fee pressure, consulting and the client relationship



Fee Pressure



- Where (which services) are you seeing this?
- How has your firm responded?



SHARING

Fee Pressure Ideas/Questions



- If fee pressure is occurring in non-strategic service areas or with “less-than-ideal” clients, consider de-emphasizing them
- An inability to differentiate is often the reason we succumb to fee pressure – there’s nothing that makes us unique, special or different
 - And/or we haven’t developed the rapport needed to cause the client to buy on relationship versus price



Fee Pressure Busters



- Differentiation – specialization, breadth/size, approach, culture, results
- Unique “packaging”
- Rapport
- Clarity of comparison
- Willingness to walk away
- Delivering real value



Making A Real Difference



- Where is your firm regarding the development of consulting services?
- How strategic do you see this and why?
- What are the biggest challenges or hurdles you foresee?



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Consulting Challenges



- Lack of experience
- Super-star model practices (lack of leverage or resalability)
- Mile wide, inch deep (lack of leverage or critical mass)
- Lack of consistent methods, tools, approaches
- Lack of true business savvy/sense
- Unwillingness or inability to develop thought leadership



Product/Service Mix -- Example



Specialty Services	Not-for-Profit (NFP)	Healthcare	Construction	Private Equity
Assurance				
EBP Audit				
Tax				
SALT				
Consulting				
Client Accounting				
BV				
Forensic Lit Support				
Succession Planning				



Consulting “Musts”



- See Consulting as it’s own service line
- Appoint a clear Consulting practice leader (“owner”)
- Identify the “sub-services” you’ll offer under Consulting
- Create Initiative Plans for each one but create an umbrella of consistency over them all
- Be prepared to invest in first few engagements of each sub-service
- Update risk management procedures – client acceptance, coverage, etc.



Big Differences



- Broader view and critical thinking skills required
- Often more writing, presenting and facilitating
- Need to develop “not-to-exceed” pricing, look for ways to share in client value (value pricing) and get consulting rate benchmarks from other firms
- Have to develop a pipeline continuously – must have strong marketing and sales support
- More “bench time” possible – utilization may be lower but have to watch cash contribution – measures are different



Wrap Up -- Consulting



- What other differences or musts do you see or recommend?
- What else should we cover?



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People Programs To Brace You For The Storm



What Can You Do?



- Drive change in your firm where needed to develop an engaging and “cool” culture
- Include your young up-and-comers to help narrow your focus on what to change and how
 - They can help design and implement the programs, too!



Five Things That Still Work



- Running firms to make a profit
- Delivering high-quality client service
- Treating each other with respect and being constructive
- Investing in learning to hone our abilities
- Maintaining professional ethics and integrity



Twelve Things That (We Think) Don't Work



- An emphasis on face time – being “seen” in the office
- Focusing on hours-based measures
- Mandatory Saturdays during busy season
- Having the path to partner be defined by tenure or years of experience
- Holding back “better technology” from younger or lower-level staff



Twelve Things That (We Think) Don't Work



- Earning the right to give feedback to senior firm leaders
- Building out more office space, moving to more private offices at higher levels in the firm and other space-hogging ideas
- Dressing in “full professional dress” every work day
- Insisting on verbal discourse – either face-to-face or by phone within the firm and with clients



Twelve Things That (We Think) Don't Work



- Expecting to retain clients based upon the fact that they're using one of the firm's "annuity" services
- Planning for staff to stay with the firm from December through April, regardless of the opportunities they're offered
- Thinking that up-and-comers will be patient and wait their turn like you did



What Do You Think?



- Let's discuss what your firm is doing in these areas of people management, engagement and measurement
- Which of these ideas really bothers you or do you disagree with?

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What Can You Do?



- If we have time, let's prioritize and discuss the most important of these people ideas:
 - Flexible and virtual work programs
 - Competency models and people development
 - Rising stars programs
 - Path to partner
 - Succession planning
 - New school recruiting

IF TIME





"Leadership requires the courage to make decisions that will benefit the next generation."

***Alan Autry
Actor and Politician***



Commit to One Thing



- Choose one behavior, change, or action that you will commit to go back to your office and apply
 - Tell someone on your team the one idea you committed to who can help hold you accountable



HOMework

Thank You!



- Contact us at any time!

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Tools And Resources



ConvergenceCoaching Resources



- ConvergenceCoaching's **web site** includes information at:
 - www.convergencecoaching.com
- Read our **Coaching Concepts** newsletter:
 - <http://www.convergencecoaching.com/coachingconcepts/>
- Visit our **blog** for posts on these topics:
 - www.convergencecoaching.com/blog
- Visit our **learning center** for access to additional courses:
 - <http://www.convergencelearning.com>
- Visit us on **Facebook**:
 - <http://www.facebook.com/convergencecoaching>



HR Resources



- www.aicpa.org/pcps. The AICPA's Private Companies Practice Section Human Capital Center web site with tools and resources on HR
- www.cpaadmin.org. Association of Accounting Administration site that allows members to access resources and exchange information about learning and other topics
- www.hr.com. HR.com is an online resource that covers the entire scope of HR issues
- www.hrpowerhouse.com. HR Powerhouse offers online tools, free appraisal forms, practices, process maps and more



HR Resources



- www.jobdescriptions.com. This site provides position description templates for a fee
- www.shrm.org. Society for Human Resources Management
- www.dol.gov. U.S. Department of Labor
- www.workforce.com. Resources for recruiting, training, HR management, compensation and legal issues



Accountability And Team Building Reading



- Accountability by Rob LeBow and Randy Spitzer
- Breakthrough Teams for Breakneck Times by Lisa Gundry and Laurie LaMantia
- Extraordinary Relationships - A New Way of Thinking About Human Interactions by Roberta M. Gilbert, M.D.
- Nuts!: Southwest Airlines' Crazy Recipe For Business and Personal Success by Kevin Freiberg
- The Five Dysfunctions of a Team by Pat Lencioni
- The Accountability Factor: The Buck Stops Here by Alan M. Dobzinski



Accountability And Team Building Reading



- “Enhancing Partner Performance Through Accountability,” *Coaching Concepts*, Issue 25
 - http://www.convergencecoaching.com/pdf/issue_25_winter_2010.pdf
- “How To Drive Partner Accountability And Unity” by Jennifer Wilson, Bill Reeb and Dom Cingoranelli
 - <http://www.journalofaccountancy.com/Issues/2013/Feb/20126239.htm>
- “I Thought You Were Doing That” by Krista Remer
 - <http://www.convergencecoaching.com/blog/2010/12/you-dont-have-to-be-a-jerk-to-hold-your-team-accountable/>



Accountability And Team Building Resources



- “More About Effort” by Jennifer Wilson
 - <http://www.convergencecoaching.com/blog/2009/11/more-about-effort/>
- “No Man Is An Island” by Krista Remer
 - <http://www.convergencecoaching.com/blog/2009/01/no-man-is-an-island/>
- “Produce The Unimaginable – Give By-Whens!” by Tamera Loerzel
 - <http://www.convergencecoaching.com/blog/2008/10/produce-the-uni/>
- “The Gift of Truth” by Tamera Loerzel
 - <http://www.convergencecoaching.com/blog/2011/08/the-gift-of-truth/>



Accountability And Team Building Resources



- “The Truth About Effort” by Jennifer Wilson
 - <http://www.convergencecoaching.com/blog/2009/11/the-truth-about-effort/>
- “There Is No Try” by Tamera Loerzel
 - <http://www.convergencecoaching.com/blog/2009/03/the-re-is-no-try/>
- “You Don’t Have To Be A Jerk To Hold Your Team Accountable” by Michelle Baca
 - <http://www.convergencecoaching.com/blog/2010/12/you-dont-have-to-be-a-jerk-to-hold-your-team-accountable/>



Cultural Resources



- “2011 PCPS Top Talent Survey”
 - <http://www.aicpa.org/interestareas/privatecompaniespracticesection/resources/humancapitalcenter/pages/2011pcpstoptalentsurvey.aspx>
- “Are Mandatory Saturdays A Thing Of The Past?” by Jennifer Wilson
 - <http://www.convergencecoaching.com/blog/2011/11/are-mandatory-saturdays-a-thing-of-the-past/>
- CultureRx
 - www.gorowe.com
- “Does Your Firm Have A Vision For Its Future?”
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2012/CPA/Jan/VisionForFuture.jsp
- “Employee and Employer Attitudes to Motivation and Incentives across Europe”
 - http://www.imaeurope.com/wp-content/uploads/2012/05/Employee_Employer-attitudes.pdf



Cultural Resources



- “Engage Your People By Being Grateful” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2010/CPA/Dec/BeingGrateful.jsp
- “Engaging for Success: Enhancing Performance Through Employee Engagement”
 - <http://www.bis.gov.uk/files/file52215.pdf>
- “Great Leaders Gather Feedback” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2012/CPA/Apr/LeadersGatherFeedback.jsp
- Having it All: How a Shift Toward Balance Affected CPAs and Firms
 - <http://www.journalofaccountancy.com/Issues/2001/May/HavingItAllHowAShiftTowardBalanceAffectedCpasAndFirms.htm>



Cultural Resources



- “Having It All Isn’t Just a Women’s Initiative” by Tamera Loerzel
 - <http://www.convergencecoaching.com/blog/2013/03/having-it-all-isnt-just-a-womens-initiative/>
- “How Flexible Is Your Firm?” by Jennifer Wilson
 - <http://www.aicpa.org/publications/newsletters/aicpacpainsider/2010/oct4/pages/howflexibleisyourfirm.aspx>
- [In Pursuit of Inclusion: New Initiatives Will Focus on Racial Diversity](http://www.journalofaccountancy.com/Issues/2012/Jun/20114925.htm)
 - <http://www.journalofaccountancy.com/Issues/2012/Jun/20114925.htm>
- “Is Your Firm Old School or Cool?” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2011/CPA/Nov/FirmOldSchoolOrCool.jsp
- “Millennials Will Lead Us to Success” by Jennifer Wilson
 - http://www.accountingtoday.com/ato_issues/26_11/Millennials-will-lead-us-to-success-64471-1.html



Cultural Resources



- Opportunity and Balance: Is Your Organization Ready to Provide Both?
 - <http://www.journalofaccountancy.com/Issues/2005/May/OpportunityAndBalanceIsYourOrganizationReadyToProvideBoth.htm>
- “Technology Is a Strategic Enabler, Really!” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2012/CPA/May/StrategicEnabler.jsp
- “The 2011 PCPS Top Talent Study: Attracting and Keeping the Best CPA”
 - <http://www.aicpa.org/InterestAreas/PrivateCompaniesPracticeSection/Resources/HumanCapitalCenter/DownloadableDocuments/TopTalentStudy2011.PDF>
- “What Is A Results-Oriented Work Environment?”
 - http://www.cbsnews.com/8301-505125_162-51237128/what-is-a-results-only-work-environment/?tag=bnetdomain



HR Articles



- “Are You Ignoring Spinach In Someone’s Teeth?” by Jennifer Wilson
 - <http://www.convergencecoaching.com/blog/2010/07/are-you-ignoring-spinach-in-someones-teeth>
- “Build A Team Of Successful Players,” by Tamera Loerzel
 - <http://www.mncpa.org/publications/footnote/2011-10/build-a-successful-team.aspx>
- “CPA Firm Leadership: Communication Drives New Possibilities”
 - <http://www.cpaconsultantsalliance.com/>
- “Driving Turnover Down.” by Adrienne Fox
 - www.shrm.org



HR Articles



- “Focus On Your Rising Stars” *Coaching Concepts* Newsletter, Issue 28, Spring 2012
 - <http://www.convergencecoaching.com/coachingconcepts>
- “Generation Next, A wave of new CPA leaders is on the rise, and accounting will never be the same,” by Jeff Drew
 - <http://www.journalofaccountancy.com/Issues/2012/Jun/20114842.htm>
- “Get Your People Engaged,” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newletters/Articles_2011/CPA/Aug/EngageStaff.jsp



HR Articles



- “How Employers Can Win the Talent Quest – Book Summary On Keeping the People Who Keep You in Business,” by Leigh Branham
 - http://www.businessweek.com/smallbiz/content/jan2001/sb2001014_851.htm
- “How Flexible Is Your Firm?” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/New_sletters/Articles_2010/CPA/Oct/FlexibleFirm.jsp
- “How Well Do You Know Your Future Partners?” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/New_sletters/Articles_2013/CPA/Feb/FuturePartners.jsp



HR Articles



- “Is Your Firm Old School or Cool,” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newletters/Articles_2011/CPA/Nov/FirmOldSchoolOrCool.jsp
- “Kin in the Game” PwC Family Business Survey
 - <http://www.pwc.com/gx/en/pwc-family-business-survey/assets/family-business-survey-2010-2011.pdf>
- “People Development: More Important Than Business Development” by Jack Lee
 - <http://www.convergencecoaching.com/blog/2011/09/people-development-more-important-than-business-development/>
- “The Lowdown on High Potentials” by Yasmine El-Ramly
 - <http://www.journalofaccountancy.com/Issues/2011/Dec/20114579.ht>



HR Articles



- “Top 10 Reasons Why Large Companies Fail To Keep Their Best Talent,” by Eric Jackson
 - http://www.forbes.com/fdc/welcome_mjx.shtml
- “What’s Your Firm’s Path To Partner?” by Jennifer Wilson
 - http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newletters/Articles_2012/CPA/Nov/PathPartner.jsp



ConvergenceCoaching Strategic Partner



- Avalara

- Avalara provides cloud-based, automated, end-to-end compliance services for accounting and tax professionals and businesses of all sizes, including sales and use tax calculation, exemption certificate management, filing and remittance, and other related services

- www.avalara.com

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