

Play of the Month

MARCH 2013

RedZone
Practice Management

*Taking Successful CPA
Firms To The Next Level*

Move Out of the Comfort Zone and Into the RedZone

Wikipedia defines the "Comfort Zone" as a "behavioral state within which a person operates within boundaries which create an unfounded sense of security and will tend to stay within that zone without stepping out of it. To step outside a Comfort Zone, a person must experiment with new and different behaviors."

The number of partners and managers in the CPA profession who fall into the definition above has reached epidemic proportions and is at the root of the succession planning problems and a significant reason for massive consolidation in the CPA profession. A typical CPA firm Comfort Zoner is normally a good accountant, who works hard and is liked by the clients. Many of them are loyal employees and have been with the firm for many years and make a good contribution to the firm. Many Comfort Zoners have the potential and talent to achieve greater degrees of success, however they are not motivated to "experiment with new and different behaviors" necessary to contribute to the firm's succession plan and take the firm to the next level of success to avoid an upward merger.

Significant problems occur when firms experience a majority of Comfort Zoners making up their professional ranks, which normally translates into a top heavy organization that has plateaued. It's not unusual to see 50-60% of partners and managers in a CPA firm stuck in their comfort zones. It can become a culture which as time goes on may be irreversible.

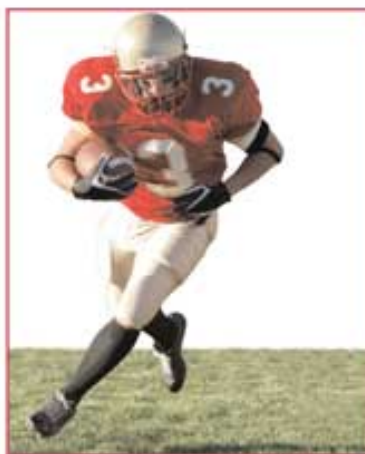
Comfort Zoners often make excuses for not attaining higher levels of performance and professional development. It's up to firm management to motivate and assist them in moving out of their Comfort Zones and putting them into a position to contribute to the firm's future succession plan.

How can firm management change the culture and

move Comfort Zoners towards the RedZone (a zone in which their performance can be enhanced and their skills can be optimized) Here are a few ways:

- Develop a system of accountability with key performance criteria and progressive goals and objectives at all levels of the professional ranks. Implement a Performance Management system that rewards for higher levels of technical and professional competencies each and every year. Provide continuous training and coaching throughout the year in soft skills and higher levels of technical skills and new service/niche development.
- Continuously requiring partners and managers to regularly delegate work and clients down the pyramid and to take on more challenging work and more complex clients. Promote creativity and innovation of client services. Motivate Comfort Zoners to achieve RedZone performance by scheduling them on the types of clients and projects that will enhance their skill level.
- Set new business goals and objectives that require partners and managers to engage more profitable and quality clients each year. Provide them practical practice development training in the areas where they have the most potential to succeed.
- Once the "up or out policy" became less prevalent in the CPA profession, the Comfort Zone culture became more pervasive. A more balanced approach to an up or out policy should be instituted to motivate professionals to attain higher levels of success within the firm and in the profession rather than having job security and a sense of being content as their goal.

Don't let the Comfort Zone culture dictate your firm's destiny. Move more professionals into the RedZone and out of the Comfort Zone and encourage them to score higher levels of success more often.



*You play to win the
game—you don't play
to just play it.*



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