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Value-Adding Ideas for Firm Administrators

Firm administration leaders and staff serve one client: the firm. But the firm is made up of a number of partners, and being able to balance their needs and desires can sometimes seem like an impossible task.

Understanding what drives partners can help firm administration professionals unlock the keys to providing the greatest value and service to all partners. Excellent suggestions on how to accomplish this task were set forth by Sam Allred, founder and director of Upstream Academy, during a session at the Association for Accounting Administration's 25th annual National Practice Management Conference in Dallas.

Allred is also a shareholder with the CPA firm of Anderson ZurMuehlen & Co. P.C. in Helena, Mont., and so has seen the challenges of partners and administrators working hand-in-hand from the "front lines."

There are many clues that partners give on how administration professionals can be of assistance, Allred notes. He described a series of "observations" that firm administrators and their staff can use to figure out what is most important.

Partnership is changing. Partners are under increased competitive pressure today, with coming retirements of many owners and a growing to-do list of a modern CPA firm practice taking more and more of their time.

This is the reason that firm administration professionals may find it hard to get partners to sign on to initiatives or be willing to participate in them. Allred refers to the owner group as the "greatest source of horsepower" in any firm—and without them, it is hard to enact change.

Those owners, however, are absorbed in facing the ramifications of coming retirements, the need to boost cash flow to fund those retirements, and the enormous challenges of marketing and client transition, to name just a few issues.

Add to this the growing competitive nature of the profession, and it's no wonder that burnout is a real risk for partners. "While average billable hours for leaders in our profession have remained static, the total time worked by these individuals has been increasing each year," Allred observed.

Partners also face the issue of time management, made harder by the fact that they are often asked for help and assistance from others so it is difficult for them to work interruption-free.

If you can help partners with some of these challenges as a firm administration professional, you will surely be providing value. Allred cited the example of an administrator at his own firm who came up with the concept of mornings being strictly observed as "production time"—work time for partners, with no meetings, training, or chit-chat allowed. This seemingly small step has allowed

the partners to recapture time in their days and have uninterrupted time to focus on their many responsibilities, something that all the owners appreciate!

Balance is yet another challenge that administration professionals may not be able to have a great effect upon but should be aware of: Long hours, lack of the opportunity (or sometimes even the desire) to take a vacation, and lack of planning for a life after retirement plague many owners. This is an issue that affects firm management, day-to-day operations, and one with which firm administration professionals are increasingly concerned: the ability to hire and retain talent.

Allred noted that young staff that see partners who seem to do nothing but work are getting the wrong message about what CPA firm practice can and should be. "This is a lousy example for young people on what it takes to succeed." Any assistance that firm administration professionals can render to defray this kind of image will surely be helpful to the firm as a whole.

Admittedly, one reason partners are so busy is that they don't want to delegate. Allred says most partners spend 60 percent to 80 percent of their time on work that could be done by someone further down in the hierarchy. "This is why partners are underutilized," Allred explained. "They won't delegate because they are in a comfort zone and like the way they do things."

Accountability and change management are problems. A related issue is owner autonomy. In many firms, partners want to do things their own way and often resist efforts to standardize practices and procedures. This can be a real headache to firm administration staff who have painstakingly worked to develop those practices.

Allred observed that some partners are the worst examples when it comes to change, commitment, and self-accountability. "The worst examples tend to be contagious and they pass it down" to staff. "Owners should be setting the example," he said.

When it comes to change, understanding how a

population approaches it can help firm administrators in their quest to introduce and enact change in the firm, Allred noted.

Whenever a change is proposed, the owners and staff will likely fall into three groups: Thirty percent will embrace the change, 50 percent will be on the fence, and 20 percent will be opposed. Trying to convince that last group that the change is good is a waste of time, Allred said. Instead, he suggests that firm administration professionals focus on the 30 percent who are in favor of the change. Get results with them and then use it to sway the 50 percent of undecideds.

Partner performance standards present yet another challenge. As partnership becomes more demanding, the bar for admission tends to be set higher—sometimes higher than the point at which some existing partners are performing. This creates all sorts of tensions between partners and for the managers, supervisors, and seniors who may be filling in for partners who are not performing up to snuff. Firm administration professionals can't take this on directly, of course, but they often feel the pain of others affected by poorer performers among the partners.

Getting through to the partners. Building trust is the best thing that any administration person can do, Allred said. It begins by protecting the confidentiality of information about the firm, about those you supervise, and your clients. While the information that partners are willing to share with staff is in flux, it is the decision of the managing partner and the partner group about what information is shared, and theirs alone.

Another part of building trust is "never say anything negative about the partners, other than to them personally in a closed-door meeting. This policy enhances respect among the owners."

For some firm administrators, this is easier than for others, Allred said. It is fine to ask a partner to coach you in how to raise an issue with another partner. It is also important to address issues rather than to avoid them.

Harder still is heading off negative talk when one partner comes to confide in you about another. "This is where your personal integrity comes in," Allred explained. The best way to respond may be to put a policy in writing, as Allred's firm has done. The firm's commitment statement among the owners states specifically that owners will not say negative things to other shareholders about a fellow shareholder—except directly to the shareholder with whom they have an issue.

Focus on quality. This is something every owner will appreciate, and any step that firm administration staff can take to enhance quality and boost the firm's commitment to quality will be appreciated. The owners will also appreciate an administrator who stands up and challenges practices or policies that could compromise quality.

planning, project management, and client communications among others are all areas into which firm administration professionals can inject quality as well as set approaches that save time and make these "repeatable" practices more efficient as well as high quality. As Allred said, "Every poor result goes back to a poor process," so it can make a hero of the firm administration professional if he or she can put good processes in place.

The sidebar includes some real-life questions and answers that Allred fielded during the presentation with concrete suggestions on adding value and helping partners.

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From the Trenches: Real-Life Partner Challenges

Sam Allred of Upstream Academy fielded queries from firm administrators at the AAA session on how to best handle specific challenges in serving partners and the firm, including these:

Q. How is it best to handle visionary managing partners who are not as good at implementation?

A. If execution is the challenge, the firm administrator should ask how he or she can help. Saying something like, "If you are comfortable with it, I could do" and make your suggestion. Another way to nudge along a managing partner who may seem to be reluctant to act is to say, "Let's measure what we're doing and accomplishing." A report on progress may help to encourage a decision by showing that the initiative hasn't progressed. Allred noted that reluctance may really be concern that the partners won't agree with how a problem is to be solved—but that delay won't help solve the problem at hand. Another good question to ask: "Where will this lead if we do not get it done?"

Q. How can a firm administrator handle the different styles of managing partners when there is a change in command?

A. This can be difficult, but having a plan and the time to execute it are key in any major transition such as this one. Five years

is not too far into the future to plan for a new managing partner, and at least three are necessary.

Q. How can a firm administrator develop better relationships with partners in remote offices?

A. With growing firm sizes, this can be a real challenge now. Try to meet with them in person on a regular basis if possible, bring specific questions along, and let the partners know what the agenda will be in advance if you can. Ask them: "How can I help you succeed?" Allred said that your firm's managing partner may be best able to guide the frequency of contact with the partners.

Q. How is it best to raise the issues that are important?

A. Survey partners and staff to get input about what is on their minds. Allred is a big advocate of "bottom-up" or 360-degree surveys to obtain feedback from staff about the firm and its partners. Keep these surveys simple, he suggested. Instead of long forms, simply ask, "What is this partner doing that I find helpful and that I would like them to continue doing?" Also ask the reverse question.

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