

Going Global Without Leaving Home: Getting Value from a Network

By Robert Sattin

The concept of groups of like-minded firms working together to service clients is far from new. Some of these groups are informal relationships between partners: the managing partner of a Florida firm with a California-based client asks a managing partner he knows at a California firm to perform an audit for him. But, as all firms are aware, such arrangements generally are made between members of more formal groups. Whether these formal groups are known as associations, networks, alliances or affiliations (there are legal differences that are beyond the scope of this article), each will claim to be right for you.

With greater than three dozen domestic, international and industry-specific entities seeking accounting firm members in almost every market, it is likely your firm has been approached and may even now be considering how to respond. The term "alliance" will, for convenience, be used here. An unwillingness to consider joining an alliance would fly in the face of current conventional wisdom. Membership totals for alliances are in the thousands, which

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Does Your Firm's Succession Plan Account for the Loss of Personal Brand Equity?

By Alan K. Vitberg

There's a partner in the firm that I work for who you might know:

He's in his late-fifties, and retirement is looming on the horizon. In the thirty-plus years that's he's been in public accounting, he's traveled a path that changed him from a shy, scared and introverted CPA to one of the best known, respected and trusted accountant-consultants in his field.

He's become a guru and a "go-to" person, and in the markets we serve, there's not a single CEO, CFO or board member who doesn't know his name and credentials. He carries a multi-million-dollar book of business, and during his career, has mentored hundreds of young professionals, some number of whom are now partners.

When it comes to new business, there's a likelihood that the organizations who want to hire him will simply phone him to engage his services. There will be no RFP.

This partner has developed a personal brand, one that cannot easily be duplicated.

But, just a few short years after his retirement, all that will remain will be myths and legends. All of his personal influence will retire with him.

This example fits far more partners than it should. Nationally, nearly nine out of 10 key partners in CPA firms with 66-100 full-time employees are between 50 and 60 years old; in smaller firms, one of every two partners fall into that range. Most firms haven't even addressed the issue of succession. Even firms that have considered firm continuity rarely consider the impact of the loss of a partner like the one described here. They have no idea how to either imitate how he works or value his personal brand equity (PBE).

Personal brand equity

For firms with a succession plan in place, it's likely that significant attention was devoted to financial, leadership, client retention and funding issues, but virtually no attention was devoted to the loss of personal brand equity (PBE) of retir-

Marketing Tactics to Build PBE

Analog PBE Tactics

- Secure relevant training, licenses and credentials
- Join relevant trade associations
- Join business, civic and community organizations
- Employ public-relations specialists
- Write feature articles
- Give speeches
- Participate in firm special events
- Customize and have multiple versions of your bio

Digital PBE Tactics

- Write and distribute thought leadership pieces through your firm's e-newsletter
- Use e-blasts to distribute thought leadership, especially for regulatory or legislative change
- Find places on your Web site to highlight the personal brand
- Get engaged with social media and build fans and followers
- Write a blog

ing partners and the development and nurturing of PBE for younger partners and rising stars.

So, what is PBE? It is the cumulative measure of:

- the intangible value an individual brings to the firm in terms of their ability to influence others through leveraging their experience, expertise and reputation with the relationships they have built and maintained; and
- the tangible value they bring in terms of their contribution to firm revenues and growth.

The underlying principle of PBE is that there is a direct correlation between a firm's revenue/growth and the experience, expertise and reputations of its partners.

The PBE issue is not so much related to book-of-business retention issues as it is to the future growth and viability of the firm. PBE is a pocketbook issue, not some amorphous, intangible piece of "marketing folderol" that can be ignored or marginalized. Firms need to add a PBE-development plan for their younger part-

ners and rising stars into their succession planning.

The core of PBE: Thought leadership and relationships

There's no secret as to how to build personal brand equity: it's a combination of thought leadership and relationship building. Within the traditional, institutionalized professional services marketing/business-development model, the time-worn mantra "it's not what you know, but who you know" has been the fundamental building block of how older partners counseled younger partners and rising stars.

The explosion of social media and other new digital tactics is changing the model. We are evolving to a model that believes speed to market with thought leadership is a critical component of building PBE and that it's not who you know, but who knows you that's important.

The traditional method of marketing—pushing information out to clients, prospects and friends—is quickly giving way to a dialogue-driven environment, where credibility, awareness and differentiation

are created at the personal level, and prospects are invited into relationships that can be transformed into new business.

"Old school" PBE

Most of today's Baby Boomer partners started their careers during a period where marketing was considered to be anathema to the professionalism they wished to portray. The differences between "marketing" and "sales" were not understood, and the process of marketing was relegated to relationship building and networking. All one had to do was to stay in place long enough, and by virtue of inertia, reputation could be made and personal brand equity built. It was inevitable that partners in place for thirty years or so would get to a place of recognition and influence by doing nothing more than community service, socializing and making and receiving referrals. It worked well, and the vestiges of this mentality still exist.

While this process was occurring, firms discovered that corporate branding works. Firms that invested in corporate branding began to see fairly rapid, ev-

er-widening differentiation and separation from their competitors in terms of revenues, income and growth. Just look at the Top 25 CPA firm listings in your market. They're probably the ones with the strongest brands and marketing programs. This is not a coincidence: these firms made investments in themselves and used various strategies and tactics that delivered brand awareness and messaging that changed perceptions and created calls to action that worked in conjunction with the personal brand equity of partners to drive business.

The changing landscape of PBE

If corporate brand building works, shouldn't strategically driven, planned personal brand equity building work as well? It should, and it does, for two key reasons:

1. The looming retirements of partners creates the absolute necessity for accelerating investments in building the personal brands of younger partners in a planned and systematic way. Perhaps this can be considered as a purely economic driver that can be measured in true ROI terms: investment in building personal brand equity today, fund partner retirements tomorrow.
2. Thanks to the digital revolution, the very nature of the way we are communicating is undergoing fundamental and radical change. Within the last decade alone, "gee whiz" technologies like e-mail blasts and Web 2.0 innovations have

Help your younger partner/rising star "find the balance."

One of the most difficult aspects of executing a PBE strategy is finding the balance between billable time and the unbillable time necessary for tactical executions. Part of your job is to provide the infrastructure and resources so the partner/rising star's unbillable time is spent on delivery, not process.

But they'll also need guidance on employing those tactical executions that will deliver the great ROIN—"Return on Influence." For example, the time to write one thought-leadership piece that can be leveraged through a personal blog, the firm's Web site, e-newsletter, posted to Twitter or LinkedIn and so on is a great way to balance the billable/unbillable time dilemma existent in most firms.

Measure, evaluate and constantly update your younger partner/rising star PBE strategy. In this digital age, no more than ever before, ROIN can be measured and evaluated. Most e-tools now include some sort of metrics and tracking capabilities that can identify not only how often an execution has been accessed (*i.e.*, number of visits or clicks), but also where those interactions originated, and in some cases, who the "clicker" is.

These measurements, and the algorithms that support them, are only going to become more sophisticated and revealing.

The value of these capabilities is that it allows for a continual and immediate adjustment of the mix, media and message of the tactics used to execute the PBE strategy. For example, a simple change to a headline might encourage more engagement with a thought-leadership piece, and it's now possible to measure its impact. Or it's now possible to see the effect a Tweet has on driving readers to a thought-leadership piece.

Tomorrow's retirements

Henry Ford once said that, "You can't build a reputation on what you're going to do."

While you're (hopefully) doing the training and mentoring that's necessary for passing the firm on to the next generation, and while you're buttoning up all of the financial and legal components of your plan, it's also time for your firm to think about how you're going to address the issue of replacing the influence that is going to be lost when your Baby Boomer partners retire.

If your succession plan is unfunded, then the income of retiring partners is going to be based upon the future performance of the firm. Thinking along these lines leads inevitably to the conclusion that building the PBE of your younger partners and rising stars of today is really a sound investment.

become commonplace and are being sublimated by social media and e-platforms like LinkedIn, Twitter, Facebook and Plaxo.

Social media has democratized the process of building personal brand equity. In the past, the process of reputation building was slow and measured in years. Today, any professional in any size practice in any location can now get a (digital) seat at the table, build their reputation and attract followers with only a modest amount of e-marketing wizardry. Comments on legislation, regulatory change or even new accounting standards are being made on various e-platforms within minutes of their initial publication—and anyone can do it. Putting a stake in the ground as a thought leader has never been easier or less expensive.

The democratization of personal brand equity should give firms and partners of all ages who are avoiding social media great pause because traditional thought leaders may be at risk of an erosion of the thought-leadership positions they have built and maintained over time.

At the same time, this erosion is creating unparalleled opportunities for younger partners and rising stars to build their personal brand equity at cyber-speed. So, the question is, are retiring partners dependent upon firm growth and continuity for their retirement funding willing to wait 30 years or so for younger partners and rising stars to earn the same level of PBE that older, retiring partners have earned?

Some things never change

Building a personal brand and personal brand equity is a long-term process that begins, and is sustained, with commitment. As David Maister has consistently told us, "... what you do with your billable time determines current income; what you do with non-billable time determines your future."

Personal brand equity is built within this nonbillable time capsule, so it makes sense to strategize, plan and manage this time with dedication and perseverance. But without the commitment of the firm's management and younger partners/rising stars, then PBE efforts are doomed to fail. Building PBE is not a function of "one-off" efforts or starts and fits—it's a process requiring continual efforts to carefully nurture, grow and shape one's brand over time.

Making PBE planning part of your firm's succession plan

There is a plethora of consultants and guidance available that deal with issues surrounding CPA firm succession planning. Most call for structured plans on client transition and retention and emphasize the need for building skills competency, leadership training, coaching and so on. But when it comes to the issue of the loss and recovery of personal brand equity, there is little advice.

For all of the reasons discussed above, it's time for firms to make aggressive, proactive PBE planning a part of the succession-planning process. Neither older nor younger partners/rising stars have the luxury of time to build a personal brand

that was once afforded to the Baby Boomer generation.

How to integrate a personal brand equity strategy into succession planning

Building equity requires commitment and funding. That's just as true for a personal brand as it is for a stock or real estate portfolio.

Help your younger partner/rising star develop a "position."

Positioning is a part of the overall strategy that aims to give a partner/rising star a distinct stake in the ground relative to competitors. It's an initiative for driving perceptions and influencing clients, prospects, referral sources and even other staff on the value propositions of the individual.

Positioning involves identifying an industry niche ("John is an expert in high-tech companies"), subject matter expertise ("John specializes in mergers and acquisitions") or a combination ("John is an expert in mergers and acquisitions for high-tech companies").

Since positioning is done from a competitive perspective, here's a simple exercise you can do: name a younger partner or rising star from your top three competitors in the market. My guess is that this is going to be very difficult to do, which is good news for you and your firm as it indicates that your competitors are not investing in building their personal brand equity. That's a vacuum which can be filled with very modest efforts, and as we all know, marketing abhors a vacuum.

Put the infrastructure in place to support PBE building efforts.

Building PBE starts with some fundamental pieces of infrastructure, many of which you may al-

ready have in place. It's likely that with only a minor amount of thinking and tweaking, elements of your current marketing infrastructure can be turned into powerful PBE building tools.

PBE infrastructure must start with research to identify and reach opportunities and targets. Build a database of clients, prospects, referral sources, media contacts, civic associations, trade associations, social media groups and so on that will represent the targets of the executions you will help your partner/rising star deliver. Uncover opportunities to deliver thought leadership through edi-

torial calendars, calls for speakers, white papers and so on.

Next, do an assessment of the current elements of your marketing program, and then determine how they can be massaged to deliver the partner/rising star's position. From bios on your Web site to your e-newsletter to collateral, and so on, there should be a plethora of opportunity to strengthen and build PBE.

Help your younger partner/rising star develop a PBE Development Plan. There are a variety of analog and digital marketing tactics that can be employed to execute a PBE strat-

egy. See the example on page 6 for an example of a few.

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Networks

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means that many firms, in many jurisdictions, are receiving value. Just as with the decision to invest in new technology, the decision to affiliate domestically and internationally has reached the point where it is a competitive necessity.

Alliances are not interchangeable

Alliances are not interchangeable. They differ in their benefits, their legal structure, the risks involved, the relationships formed, the brand, the geographic coverage, the technical expertise and the costs. So how do you know what questions to ask and what to look for? Here's a guide.

What benefits are being offered?

What benefits are being offered, and do they match that which you are looking for? For some, local stature, firm profile

and competitiveness will be the most important goals. Others will value geographic exclusivity. Still others will look for branding and technical aspects.

Most alliances will offer, or at least promote, many of the same benefits. These include education on substantive and practice-management topics, international coverage, networking opportunities, special-interest groups, technical expertise, conferences, vendor discounts and best practices.

Some alliances, but not all, offer exclusivity in a geographic area; yet in others, multiple firms in close proximity might be members of the same alliance. If referrals or having an open discussion of management and marketing issues are important, the overlap of firms may be a significant detriment. If branding and training are primary concerns, the lack of exclusivity might be less important.

Other benefits may be more particular to an individual net-

work, such as surveys or training institutes or client newsletters or on-site marketing audits. The alliance with which I am affiliated, TIAG, offers members access to our sister group, TAGLaw, which is comprised of 148 law firms in over 80 countries and offers firms a connection to a charitable foundation that enables members to respond, as an international organization, to disaster needs around the world. What does the alliance your firm is considering identify as its "differentiator"?

Not all benefits will be of equal value to all members; some may not be of value at all. Before making a decision, you need to carefully assess whether the alliance you are considering offers the benefits that will be most valuable to your firm.

What is the relationship among the members?

What is the relationship among the members? If the alliance is