

ACCOUNTING OFFICE MANAGEMENT & ADMINISTRATION REPORT

Change Resolutions for CPA Firm Partners & Firm Leaders

As a partner or manager in a CPA firm (this includes non-CPA managers like the firm administrator, human resources director, or marketing director), you are a caretaker of firm assets. The most important one is the firm's human assets. How can you help reduce turnover, increase staff productivity, and reward them while maintaining profitability and efficiency? It's simple: Be a better boss (manager of people).

Here are some ideas for the new year and beyond:

- **Learn to listen.** Many studies continue to emphasize the importance of the very simple art of being a good listener. Practice simple things like ignoring distractions, repeating the message, and being objective.
- **Encourage** team members not to be afraid of taking some risks as they focus on career growth.
- **Be honest.** Let others know you trust them and be honest in return, especially in these times of economic instability.
- **Recognize good work.** Everyone likes to know when they've done something well.
- **Offer challenging work.** This is one of the best employee motivators. In the CPA profession, we must be creative and develop ways to give more interesting and challenging work to our new graduates.
- **Be direct.** Make sure your firm's mission, vision, and values are clear. Also be sure you give

clear, concise directions relating to their work: Staff want to know "how it is done" at your firm. This is very challenging because of the lack of partner unity in processing the work product.

- **Give frequent feedback.** Just as they want to know how it is done, staff want to know how they are doing personally, and they want to hear it often.

- **Be consistent.** Most employees can learn to live with any boss if they know what to expect. Keep them guessing, and you will keep them looking for another job. Inconsistent behavior breeds anger, frustration, and disappointment.

- **Know how to say no.** It is better to be open and direct: Rather than trying to avoid requests, you simply need to say, "No, as a firm, we can't do that right now. Here is why."

Especially for partners. While the above resolutions are helpful for all leaders, these ideas are especially for CPA firm owners.

One thing that we learn from MAP surveys is that in recent years, partner billable time has been steadily shrinking. I have heard it said more than once, "We have a partner or two that needs to go."

I believe that some partners have become fat and happy and complacent because their incomes



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have skyrocketed in recent years with relatively little effort from them.

Here are my random thoughts on this topic, both bad and good:

- If your team members have the guts to be honest with you (the firm management team), they will tell you they are anxiously awaiting the retirement of some older, nonproductive, difficult, and somewhat incompetent partners.

- In this economy, I am hearing it said (usually by baby-boomer partners), "Now I'll have to work until I'm 90!" and I think they are actually happy about the prospect.

Put these two points together and you have troubles down the road.

- In a coaching session with me, a managing partner confirmed my belief that there will be a huge demand for his time (partner, high-level consulting time).

- Partners need to push down the routine review time they do in busy season (something that has needed to happen for years for some partners) and actually use their more expensive consulting service codes to mentor, counsel, and focus their clients on the issues of business survival.

- I am also hearing that partner income will be flat or even decrease this year, an even bigger motivator for partners to welcome the economic challenges of their clients and get on the phone immediately to remind clients of their expertise.

- The old attitude of "clients don't want what we offer—compliance work—a tax return or a financial statement" will diminish. Clients will actually want you and need you to help them weather the economic storm.

- It is a great opportunity for partners to teach managers and staff how consulting actually works. Get them involved: They haven't been through times like this before (just like many of your clients).

Start now. Communicate your firm's and your personal expertise in business owner coaching. Have you sent a letter to your clients giving them useful tips? AICPA PCPS members can use a letter from PCPS offering tips that you can put your name on and send. Most important, pick up the phone and call all of your best clients just to touch base. □

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