

RedZone Play of the Month

ACCOUNTANTS ADVISORY GROUP, LLC
PRACTICE MANAGEMENT • MARKETING • HUMAN CAPITAL

Taking Successful CPA Firms to the Next Level

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Partner Accountability

Partner accountability is a common problem in most accounting firms. Over the last several years due to the excellent economy and lack of quality professional staff, CPA firms have become production oriented and less focused on managing their practices like a business. In addition, there is often much ambiguity and lack of communication when specifying partner performance criteria and goals. Some of the areas that CPA partners need to be more accountable for include the following:

- Leadership (not just managing)
- Client satisfaction, cross-selling and retention
- Engagement profitability and practice management
- Continuously upgrading the client base by marketing for quality, not quantity and disengaging low realization clients.
- Developing and retaining the professional staff by partner coaching and mentoring
- Continuously enhancing technical skills and developing an expertise in niches that are in demand
- Acting as a positive role model to staff
- Using technology to increase engagement efficiency and to become more organized
- Promoting the firm to referral sources and the business community

Many small firms compensate partners based upon formulas that recognize collections as the primary factor in partner compensation and ignore many of the factors above that lead to long-term success. Ignoring long-term types of partner contributions is one of the main reasons that smaller firms don't reach the next levels of success.

Formal partner accountability in larger firms is often ignored due to the time commitment to manage the process. It has led larger firms to look toward mergers for continued growth and profitability enhancement which may prove to be a short-term, rather than a long-term solution.

Partner performance accountability and related compensation decisions are an integral part of what defines a firm and its future success. It's worth the time and effort to manage partner performance to encourage behavior needed to remain an independent firm. By having partners formally accountable to each other for performance and stated goals and objectives, there is a much better chance that firms will reach their peak potential. It's not just about working hard and producing, it's also about inspiring change and contributions for the firm's long-term future.

Executing the right
"game plan" to ensure
future success.



Accountants Advisory Group, LLC is a strategic consulting firm that incorporates state of the art practice management, marketing, and human capital strategies to assist CPA firms in achieving long-term success and profitability. Our **RedZone Practice Management** is designed for accounting firm partners who are ready to take their firms to the next level of success. For more information contact Joseph Tarasco.

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