

2011 Predictions & Trends

RedZone Play of the Month, December 2010

As we approach the end of 2010, the accounting profession and marketplace is changing quickly. Here are some predictions and trends that you may wish to consider and take into account in your strategic planning.

- Mega-regional mergers will continue to take place, especially on the East Coast from Boston to D.C. They will eventually hire accomplished COO's and CEO's from outside of the accounting profession to professionally manage these larger entities. The partnership structure will begin to be phased out and a more corporate structure and strategy will take hold.
- There will be more lateral mergers of small and medium size firms as an alternative to merging into regional firms to maintain onto land culture.
- Human Resource and Marketing Directors at large firms will work more in tandem as “product managers” to hire, train, retain and professionally develop the firms future leaders and rainmakers.
- Marketing for quality and not quantity along with target marketing will become more of the norm. Practice development skills and accomplishments will be a pre-requisite for becoming an equity partner.
- Firms will take a hard look at their partner compensation and retirement structure and policies and adjust them to the new economy and to avoid younger partners from leaving. Partner performance and accountability will have a more significant impact on compensation and equity ownership.
- Accounting firms will continue to play a bigger role in personal wealth management and planning for their high-net worth clients.
- The CPA profession will experience an increase in malpractice claims and litigation in 2011 as a result of business failures.
- CPA firms will have to be super efficient in delivering compliance services in order to remain fee competitive. There will be more of a shift toward outsourcing and increased adoption of technologies that optimize workflow.
- Firms that make smart leadership, merger, marketing and HR decisions in 2011 will significantly increase profitability in 2012 and beyond.
- Firms will aggressively compete to recruit for quality, experienced CPA professionals as new regulations in the financial services industry take place and the economy starts to rebound.

The Accountants Advisory Group wishes you a happy and healthy holiday season and a prosperous 2011.