

Innovative Practice Management

[From Rags to Riches](#)

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Last week we were informed we had been selected by [Accounting Today](#) as one of the top accounting firms to work for in the United States. I understand there will be an article published in January, 2009. How did we go from being a firm that had the universal difficulty of other accounting firms - attracting and retaining top talent - to being named to such a prestigious club in four years?: We changed our business philosophy, and consequently our overall approach to providing service, after following the traditional accepted approach for 25 years.

One definition of insanity is "Doing the same thing over and over, but expecting different results". I have no idea who first said that, but truer words were never written. And that's what we seem to be doing too regularly in the accepted approach to practice management in our profession. So after 25 years we finally recognized the need (and tremendous opportunity) to be innovative.

The catalyst was a presentation by author [Ron Baker](#), on pricing and the Firm of the Future sponsored by [CPAmerica](#) and [cpaconect](#). Ron is a shameless advocate of trashing the time sheet especially as a tool for measuring the value of the services we provide. Ultimately, though, for us the derivative (sorry auditors I know you hate that word) benefit was the realization that time sheets are an insidious tool of micromanagement. And micromanagement creates serious negative repercussions with professional knowledge firms (PKF's - a Baker term). This realization, brought about by eliminating time sheets in our firm, led to many positive changes some of which follow:

- a results oriented work environment - team members are 'invited' to work on specific engagements and may decline without prejudice; team members have a responsibility to get the job done on schedule, but they decide when, where and how the work will be performed.
- elimination of annual performance evaluations - in favor of a mentoring program. This improved communication technique provides timely feedback in a non-confrontational manner rather than waiting until the end of the year.
- a true flex time environment - pick your level of commitment and be responsible for your own work/life balance.
- true team work - as a result of eliminating the dysfunctional staff competitive environments found in most firms.
- elimination of turnover - we're nearly perfect in eliminating voluntary turnover in an industry plagued by the loss of the best and brightest talent.

There is much more. The obvious result is a healthier professional environment, which has led to better client relationships a happier team and virtually no turnover. Some of the 'new' things we've instituted to support this are:

- universal involvement at all levels in the committees that set the direction for the firm, whether it be audit, tax, consulting, pricing, marketing, admin, or social.
- a new pricing model

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committee, after action reports, budgeting and profit analysis by engagement.

- a mentoring program.

Designing and replacing the system that was time sheet driven to provide the management tools necessary to have an effective service firm in our current business environment has not been easy, and it's an ongoing process. There is much more to say than room on a blog to say it, but the bottom line is 'we're not crazy!' [And we have the results to prove it.](#)