

Partner Compensation – How it Can Help Create a Culture of Accountability and Unity

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Gary Adamson, CPA

- ▶ Recovering Managing Partner
- ▶ Over 20 Years as MP of Brady Ware, a Top 200 Firm
- ▶ Grew firm from 9 to 140+ people
- ▶ Now working with firms to reach practical solutions and to implement
- ▶ Consultant, author and speaker



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About Adamson Advisory

- ▶ Partner Succession
- ▶ Mergers and Acquisitions
- ▶ Partner Retirement and Agreements
- ▶ Partner Compensation
- ▶ Partner Retreats
- ▶ Firm Governance
- ▶ Partner Coaching and Goal Setting

Top Issues for the Profession

2021 Top issues	2019 Top Issues
1. Staff recruitment	1. Staff recruitment
2. Staff retention	2. Staff retention
3. Keeping up with COVID relief programs (PPP, ERC, etc.)	3. Managing work / life balance issues
4. Developing next gen. of firm leadership	4. Partner accountability/unity
5. Tie: effective staff utilization and management; managing work/life balance issues	5. Seasonality / workload compression
AICPA PCPS Survey of Firms with 21 + Professionals	

Webster Definition

“Accountable”:

Being the one who must meet an obligation or suffer the consequences for failing to do so

Observations

Poor accountability has plagued firms for years.

Observations

What system (culture) do most firms have instead of accountability?

Observations

Partners have to agree to be accountable and to what.

Observations

Pick an island



Polling Question

Our partners are unified and working toward common goals and objectives for the firm.

- ▶ A. Always
- ▶ B. Sometimes
- ▶ C. Rarely

Observations

The high producer partner's
trump cards:

_____ and

Observations

When we “graduate” to the partner level we no longer have to worry about performance reviews and goal setting.

Observations

Is it possible to have a culture of accountability for everyone else except the partners?

Observations

Is it possible to hold a group accountable?

Observations

Why do we perform better
when we are coached?

True Professionalism

Chapter 6: Are You Willing to be Managed?

“If people are not prepared to be held accountable for what they do, it is unlikely that they will achieve much. To choose a goal without being prepared to be accountable for progress towards it is to choose nothing.”

David Maister

A Better Definition

“Being Self - Accountable”:

Do what you have agreed to do,
to the best of your ability, on
time, without reminders.

Polling Question

We currently have a goal setting process for our partners

- ▶ True
- ▶ False

Why Do We Want To Do This?

- ▶ We can't seem to implement
- ▶ It takes forever...
- ▶ We settle
- ▶ My delay becomes my team's delay....
- ▶ We tolerate it and now its no big deal
- ▶ We have frustrated people
- ▶ We are in the endless follow up game

Why Do I Want To Be Self - Accountable?

- ▶ You will enhance your career
- ▶ You will achieve more
- ▶ You will stop making the lives of those around you more difficult
- ▶ You will help move the firm forward
- ▶ More autonomy

Why Do Only 20% of Firms Even Attempt It?

- ▶ It's BIG
- ▶ No easy fix
- ▶ Long term problems require long term efforts to solve.

Steps to Establish a System of Accountability in Your Firm

Partner commitment

- ▶ Open, honest conversation among the partners
- ▶ Recognition that we don't have it and it is affecting the success of the firm
- ▶ Agreement that we need to start at the top

Steps to Establish a System of Accountability in Your Firm

Establish a partner goal setting process

- ▶ Linkage to firm strategy and goals
- ▶ No more than three or four
- ▶ SMART
- ▶ At least two check-in meetings

Steps to Establish a System of Accountability in Your Firm

Establish a Partner Evaluation Process

- ▶ To goals
- ▶ To performance criteria
- ▶ To partner commitment statement (if you have one)

Steps to Establish a System of Accountability in Your Firm

Connect the partner goals and evaluation to partner comp.

- ▶ You get what you pay for
- ▶ Goal achievement and intangibles must have a meaningful reward in the comp system
- ▶ How did you contribute to moving the firm forward?

Linking It All Together

**Firm Goals,
Planning,
Core Values**

**Partner
Evaluations &
Performance**

**Partner
Compensation**

Comp System Basics

- ▶ Six buckets that should be in any system
- ▶ Seven (at least) systems out there
- ▶ MP is the quarterback

Questions?



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