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STRATEGIC PLANNING

Get the Best ROI on Your Time Investment

Post-busy season is the time when firms begin to take stock once again. They review busy season results and adjust or update the firm's strategic plan, as well as perform staff reviews and decide about raises and bonuses.

As CPA firms become more strategic, you might worry that this process is becoming a bigger and more time-consuming one. While it is true that strategic planning and implementation take time, there are ways to streamline your approach so there is still time to do the work that all of your planning and implementation are bringing to your firm.

Time management. As you well know, partners and other firm leaders are endlessly busy with a variety of tasks in today's CPA firm. It can be hard to make the time not just for the planning part of the firm's strategy, but for the all-important implementation and follow-up to see the plans into reality.

Carving out the time to plan, manage, be accountable, and have growth strategies is something that must be agreed upon and supported throughout the firm. As consultant Gary Boomer (www.boomer.com) explained at a session at the AICPA Practitioners Symposium, "Leading Your Firm to Greater Success," it's all a part of

being devoted to building the kind of firm that will succeed in the changing market. Success now requires a conscious commitment of time and resources, rather than just waiting to see or believing that because the firm is busy now, it will be busy forever and need not have a strategic plan.

Firms that now have a strategic plan—and their numbers are growing—must take care to continue to nurture and review and update that plan on a regular basis. While setting up the initial plan is the most time-consuming task, fulfilling individual responsibilities, reporting on them, and working on what the next step should be are essential parts of the process that can't be ignored.

Opportunities to consider. As a part of the underlying theme to growing a firm in the current marketplace, Boomer urges firms to focus upon value, rather than billed hour achievements, to avoid commoditization of their services. Development opportunities he cited include analytics and forecasting, planning for clients, specialization of services, leveraging the Internet, providing small business coaching, and establishing portals for client service and information.

Boomer also encourages firms to consider organizing firm initiatives into a team structure. Eight team areas he suggests are:

1. Innovation for the future.
2. Sales.
3. Graphics. This is an area that can easily be outsourced.
4. Writing.
5. Firm management.
6. Production. This is where firms have focused traditionally.
7. Protection (risk management).
8. Expansion and growth.

Reviewing: part of the “homework.”

Even if you are already following the lead of Boomer’s growth-focused structure, you can’t just kick back and head to the golf course during your firm’s retreat this year. Reviewing the plan to monitor the firm’s process is a must to make sure all that hard work you have been putting into implementing the plan is going in the right direction. Know, too, that it’s essential to review your strategic plan and monitor progress, whether your law firm does it with

a long-term view on a three-to-five-year basis or fine-tunes frequently.

Part of reviewing should be the use of metrics to assess where your firm is and benchmarks to keep your growth on course. Metrics that Boomer recommends firms use now include revenue per full-time equivalent employee, average hourly rate, percent chargeable, percent of revenue invested in technology, and investment in technology per charge hour.

Checking key metrics—those or whichever ones your firm chooses to use—is something that should be done regularly. You certainly want to look at the numbers at your summer retreat and during year-end planning; some firms look every few months.

Overcoming implementation slump.

The upcoming retreat is the perfect opportunity for your firm to get the energy back into your strategic plan, implementation, and review.

Make sure that your plan—which should include overall goals and objectives, strategies, and initiatives—also outlines expectations for all levels of staff, not just partners and not just CPAs. *One suggestion:* Include employees’ personal marketing goals in frequent performance reviews. Don’t forget to outline an agenda for your receptionist, administration staff, and systems staff, who can contribute to the firm’s efforts in unique ways.

To get everyone capable of delivering on the plan, the firm must offer training. This continues to be a difficult point with some partners, who don’t want to invest in training and who worry about the time away from billable hours that training would take. However, study after study shows that staff values training opportunities and the chance to grow their skills, so training is also a retention tool in what continues to

Get Your Retreat Off on the Right Foot

Consultant Gary Boomer offers helpful ideas about how to conduct what he prefers to call a “firm summit” (since that is a more forward-looking term).

“The purpose of a firm summit is to bring leaders and firm members together along with outside expertise and facilitation to initiate strategies for exponential growth,” according to Boomer. The get-togethers offer a chance to work on change—including a change in how you handle your summit. His ideas include:

- Choose a relaxing venue away from the office. This limits interruptions, so everyone can focus on strategy.
- Encourage everyone to participate. “Be inclusive rather than exclusive,” Boomer urges.
- Use a professional facilitator. A neutral and experienced facilitator will keep you on track and on schedule.
- Begin with a positive focus. Take time to celebrate success.
- Structure your time. Keep to an agenda, take 10 to 15 minute breaks each hour, mix fun activities in with the sessions, take minutes and circulate them, assign tasks, and set up task forces for follow ups—these are not new concepts. However, organization is key to ensuring that the firm makes the most of its chance to work on strategic issues.

be a difficult market for keeping employees. And training can also help put to rest the procrastinators and those who avoid entirely their strategic assignments—learning how to tackle these tasks may be the best lesson of all.

Resources both inside the CPA profession and outside of it can help. A particularly insightful one we like is from the American Bar Association's Law Practice Management Section, *The Lawyer's Guide to Strategic Planning: Defining, Setting, and Achieving Your Firm's Goals*, by Thomas Grella and Michael Hudkins (call the ABA service center at 800-285-2221 for purchase information.)

The authors maintain that "planning is a revolving and continual process, which must include follow-up, as well as proactive and reactive adjustment." They also say that follow-up must be periodic, productive, perpetual, and protective. Below is their explanation of how firm leaders should look at the follow-up process (and ideas about CPA firm retreat success are in the accompanying sidebar):

1. Perpetual: Your firm's success is directly contingent upon leaders' commitment to monitoring tasks and continually pushing for progress.

2. Periodic: All partners should meet for formal review and assessment of the firm's strategic plan. At this annual strategic planning meeting, partners should review progress toward goals and objectives and discuss whether circumstances have caused the firm's mission and long-term vision to change—and, if so, the effects of such

changes on strategic planning goals and objectives.

3. Productive: Success with strategic planning and follow-up with your firm's plan depends on leaders' ability to provide:

- **Direction:** Owners must regularly discuss and agree on the following issues: Where does the firm want to go? Does the firm's mission and vision properly reflect partners' hopes and dreams for the firm?

- **Balance:** Manage and address competing interests within the firm, such as quality of life, client needs and demands, and job satisfaction.

- **Belief:** During follow-up and evaluation, leaders must consistently remind partners that the firm's mission and vision are worthy and affirm that all owners agree. Remember, conviction is necessary to achieve success. Your analysis must include an assessment of the following questions:

- Who are we?
- Who are our firm's current clients, potential clients, and competition?
- Who do we want to be?
- How do we get there?

- **Execution:** Firm leaders must regularly assess the execution of goals outlined in the firm's strategic plan. These goals must be improved upon to achieve results and enhance progress.

4. Protective: Be protective, not of the specific ideas outlined in your strategic plan or results, but of the overall process and partners' efforts to take the firm to the next level. □

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