We Set the Pace and never looked back

By Donna Cimino, CPA, Heinold-Banwart, Ltd., East Peoria, Illinois, AAA Director of Education and Your 2006 Conference Mistress of Ceremonies

Two hundred and twenty-five administrators (full conference registrants) recently completed the victory lap in Indianapolis! All participants came home winners with a car-full of ideas. Our engines are fired up with ideas and best practices to implement.

Those of you who missed the victory circle, I would like to recap the race. We had a great string of speakers that were right on track. We kicked off the event on Tuesday with two optional pre-conference Fly-Ins. Denny Faurote was the presenter for our first Human Resource Fly-In. Denny walked us through many issues facing firms in regards to our human capital. He stated that people join companies and leave due to managers. He spent the afternoon discussing our leadership skills and how to be a manager no-one wants to leave. Roman Kepczyk and Trey James facilitated the third ATA Fly-In hosted by AAA. They started with the state of the profession, and moved on to digital production pieces for each section of a CPA firm. They also covered hot topics in the IT world during the morning session. In the afternoon they had two breakout sessions one by firm size and another by function. This was a largest gathering for the IT special interest group section. If this is any indication of the value to our Network Administrators, my firm's Network Administrator, Mike Unes, came back very excited and made a presentation to some partners and managers by reporting on all the new things that he had learned.

First Time Attendees

We had our first field trip for the first timers (first time attendees). Bill Leach and Katz Sapper & Miller were great hosts for a tour of their office. After the tour, we heard from Virginia Lowery and Rita Keller as they provided tips to the first timers on how to get the most out of the conference. Everyone converged back on the Westin for a Welcome Reception with the vendors. Special thanks to the Indiana Chapter for the gifts (cookbooks) and for showing off their exciting city.

A.C.E. Award

We kicked off the opening session on Wednesday with the presentation of the A.C.E. award. Arlene Ciroula with KAWG & F in Maryland won the 2006 award for the development and implementation of a Succession Planning Program. Arlene also championed a technology overhaul at her firm at the same time that she was the project manager for her firm’s office relocation to new facilities.

Session Highlights

August Aquila was our first featured speaker. He talked about the “World Being Flat After All.” August explained some of global trends and the one that I remember is that client retention was 27 years not
too long ago and has now reduced to as low as three years. At the end of August’s comments, I knew we needed to grab the Yellow Flag and drive with caution so we could learn from the breakouts by firm size. We enjoy wonderful participation from attendees at these sessions. Several administrators are excited about the firm size discussions that are continuing via e-mail even after leaving Indy.

Many of us thought we could get away from the office, but we certainly appreciated The CPA Technology Advisor for sponsoring the Cyber Café. It was great to be able to access our email, print boarding passes, and feel like we did some work for the staff that remained at the office.

One of the successful breakout sessions was “Building Your Asset as a Firm Administrator” presented by Rita Keller, Brady Ware and Bill Leach, Katz Sapper & Miller. With 76 first-timers and those new to the profession, Bill and Rita had their hands full during their two sessions, the other titled “Building Your Asset: Focus on the Firm.” They may have to give up their day jobs to be able to respond to all the hungry and eager newbies (and a few of us more seasoned veterans who welcome some refreshers) that are e-mailing them for additional information.

Steve Erickson, Steve Erickson, LLC wrapped up our Wednesday afternoon session talking about being ready for the future. His main point as identified through his “Value Improvement Model,” is that Partners are the UNITY or center of all firms.

**Entertainment**

We had great entertainment on Wednesday night in a wonderful setting, the beautiful and unique ArtsGarden in downtown Indianapolis. Participants were able to relax and laugh. Right before Heywood Banks came on stage, AAA awarded three Presidential Citations. These went to: Michael Horwitz with BDO Seidman Alliance for all the effort to build our partnership; CAMICO for their support and authorship of AAA’s newest niche benefit, A Guide to Record Retention and Destruction Policies for CPA Firms; and Mike Chapman for his efforts and dedication in during the initial phases of a guide on human resources the Association is working on in conjunction with the AICPA.

We then awarded one Distinguished Service Award this year to Virginia Lowery of the Illinois Agricultural Auditing Association. Virginia is a past AAA National President, has worked on the national conference planning committee for numerous years and continues to give her heart and soul to the organization. The award is presented to a deserving individual for overall support of the profession. After many tears were shed and then putting Virginia’s award back in the box so it did not break, Heywood took the stage and worked really hard to sing, play his guitar and tell jokes that we were all able to “catch.”

**More Education**

Bill Reeb opened on Thursday morning. All I kept thinking was, if only my managing partner could hear this. I have it on my to-do list to encourage my managing partner to attend next year’s conference in Providence. He needs to hear these speakers first hand so that we can start to discuss pertinent issues during the conference instead of after I return.

Friday morning with Darren LaCroix was one of the best closing sessions we’ve had. I can’t ever remember jokes and he had me writing a joke on the spot. Darren gave great information to help add humor to our everyday life, at home and at work. I would love to see our members’ presentations now!

As we raised the Checkered Flag signifying the end of the race - Barb Wekony with Alliant Advisors, P.C. in Hoffman Estates, Illinois won the late bird door prize (reserved for those still in the audience at the end), an iPod Video. With more than 700 members and over 300 attendees (including daily registrants and vendors) in Indy, I think we are on our way to great things and we hope to continue to exceed
expectations as an Association. The board of directors appreciates the evaluation comments. We have reviewed the feedback and met on July 17th to start planning the 2007 conference. Networking is always the hot point. We will be sure to continue to set aside time for networking while making the time beneficial and productive. We are also committed to filling our program with high level speakers while being the first to introduce the profession to talent.

Next Year

Put the 2007 conference dates on your calendar now, June 19-22. You will receive an e-mail as soon as the new agenda is posted – be sure to register on-line to take advantage of the “early-bird” discounts!

Just so you are convinced that I learned something from Darren LaCroix . . . Change brought to you by Depends!

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Recommended conference reading list

Compiled by Karen Feldman Almeleh, CPA, Silver, Lerner, Schwartz & Fertel, Skokie, Illinois

Following is a collection of recommended reading from the 2006 National Practice Management Conference. A special thank you to Karen Feldman Almeleh for taking the time to put this information together!

The World is Flat: A Brief History of the Twenty-first Century

by Thomas L. Friedman

Updated Edition: Thomas L. Friedman is not so much a futurist, which he is sometimes called, as a presentist. His aim in The World Is Flat, as in his earlier, influential Lexus and the Olive Tree, is not to give you a speculative preview of the wonders that are sure to come in your lifetime, but rather to get you caught up on the wonders that are already here. The world isn't going to be flat, it is flat, which gives Friedman's breathless narrative much of its urgency, and which also saves it from the Epcot-style polyester sheen that futurists--the optimistic ones at least--are inevitably prey to.

What Friedman means by “flat” is "connected": the lowering of trade and political barriers and the exponential technical advances of the digital revolution that have made it possible to do business, or almost anything else, instantaneously with billions of other people across the planet. This in itself should not be news to anyone. But the news that Friedman has to deliver is that just when we stopped paying attention to these developments--when the dot-com bust turned interest away from the business and technology pages and when 9/11 and the Iraq War turned all eyes toward the Middle East--is when they actually began to accelerate. Globalization 3.0, as he calls it, is driven not by major corporations or giant trade organizations like the World Bank, but by individuals: desktop freelancers and innovative startups all over the world (but especially in India and China) who can compete--and win--not just for low-wage manufacturing and information labor but, increasingly, for the highest-end research and design work as well. (He doesn't forget the "mutant supply chains" like Al-Qaeda that let the small act big in more destructive ways.)

Friedman has embraced this flat world in his own work, continuing to report on his story after his book's release and releasing an unprecedented hardcover update of the book a year later with 100 pages of revised and expanded material. What's changed in a year? Some of the sections that opened eyes in the first edition--on China and India, for example, and the global supply chain--are largely unaltered. Instead, Friedman has more to say about what he now calls “uploading,” the direct-from-the-bottom creation of culture, knowledge, and innovation through blogging, PODcasts, and open-source software. And in response to the pleas of many of his readers about how to survive the new flat world, he makes specific recommendations about the technical and creative training he thinks will be required to compete in the "New Middle" class. As before, Friedman tells his story with the catchy slogans and globe-hopping
anecdotes that readers of his earlier books and his New York Times columns know well, and he holds to a stern sort of optimism. He wants to tell you how exciting this new world is, but he also wants you to know you're going to be trampled if you don't keep up with it. A year later, one can sense his rising impatience that our popular culture, and our political leaders, are not helping us keep pace.

**Execution: The Discipline of Getting Things Done** by Larry Bosidy

The Discipline of Getting Things Done by Larry Bosidy and Ram Charan demonstrate in Execution, the ultimate difference between a company and its competitor is, in fact, the ability to execute.

Execution is "the missing link between aspirations and results," and as such, making it happen is the business leader's most important job. While failure in today's business environment is often attributed to other causes, Bossidy and Charan argue that the biggest obstacle to success is the absence of execution. They point out that without execution, breakthrough thinking on managing change breaks down, and they emphasize the fact that execution is a discipline to learn, not merely the tactical side of business. Supporting this with stories of the "execution difference" being won (EDS) and lost (Xerox and Lucent), the authors describe the building blocks--leaders with the right behaviors, a culture that rewards execution, and a reliable system for having the right people in the right jobs--that need to be in place to manage the three core business processes of people, strategy, and operations. Both Bossidy, CEO of Honeywell International, Inc., and Charan, advisor to corporate executives and author of such books as What the CEO Wants You to Know and Boards That Work, present experience-tested insight into how the smooth linking of these three processes can differentiate one company from the rest. Developing the discipline of execution isn't made out to be simple, nor is this book a quick, easy read. Bossidy and Charan do, however, offer good advice on a neglected topic, making Execution a smart business leader's guide to enacting success rather than permitting demise.

**Good to Great – Why Some Companies Make the Leap and Others Don’t** by Jim Collins

Good to Great – Why Some Companies Make the Leap and Others Don’t, the author of Built to Last, concludes that it is possible, but finds there are no silver bullets. Collins and his team of researchers began their quest by sorting through a list of 1,435 companies, looking for those that made substantial improvements in their performance over time. They finally settled on 11--including Fannie Mae, Gillette, Walgreens, and Wells Fargo--and discovered common traits that challenged many of the conventional notions of corporate success. Making the transition from good to great doesn't require a high-profile CEO, the latest technology, innovative change management, or even a fine-tuned business strategy. At the heart of those rare and truly great companies was a corporate culture that rigorously found and promoted disciplined people to think and act in a disciplined manner. Peppered with dozens of stories and examples from the great and not so great, the book offers a well-reasoned road map to excellence that any organization would do well to consider. Like Built to Last, Good to Great is one of those books that managers and CEOs will be reading and rereading for years to come.

**The Experience Economy: Work is Theatre and Every Business a Stage** by B. Joseph Pine II and James H. Gilmore

The Experience Economy: Work is Theatre and Every Business a Stage by B. Joseph Pine II and James H. Gilmore presents the idea that the service economy is about to be superseded with
something that critics will find even more ephemeral (and controversial) than services ever were: experiences. In part because of technology and the increasing expectations of consumers, services today are starting to look like commodities. The authors write that "Those businesses that relegate themselves to the diminishing world of goods and services will be rendered irrelevant. To avoid this fate, you must learn to stage a rich, compelling experience."

Many will find the idea of staging experiences as a requirement for business survival far-fetched. However, the authors make a compelling case, and consider successful companies that are already packaging their offerings as experiences, from Disney to AOL. Far-reaching and thought-provoking, The Experience Economy is for marketing professionals and anyone looking to gain a fresh perspective on what business landscape might look like in the years to come. -- Harry C. Edwards

**Strategic Management of Professional Service Firms** by Bente Lowendahl

**Motivation Management** by Thad Green

*Editorial Reviews from Booklist*

"Motivation is the fuel for performance. Without motivation, performance suffers." So begins Green's book, which offers a management approach to motivation that he calls the Belief System of Motivation and Performance. Based on the expectancy theory of motivation (a complex mathematical model that states there is a critical connection between motivation and performance), Green's interpretation explains how people determine the extent to which they will work hard and how well they will perform. His approach is based upon linking confidence in the ability to do the job with trust that rewards will come that will bring satisfaction. Using diagrams, stories, and sample scripts, the author provides the structure, process, and guidelines for his Belief System, which requires managers to develop effective communication skills. His consulting experience has taught Green that people are at their best when they have confidence in themselves, trust in their manager, and are satisfied in their work. -- Mary Whaley

**1001 Ways to Reward Employees** by Bob Nelson

*Editorial Review from The New York Times*

[Helps managers] take certain rewards and mold them into new management styles at their companies.

*Editorial Review from The Wall Street Journal*

Better than money: Praise and personal gestures motivate workers. Things that don't cost money are ironically the most effective.

**1001 Ways to Energize Employees** by Bob Nelson

*Editorial Review from the Publisher*

Empowerment. Self-Directed Teams. Continuous Improvement. Achievement. Awards. Personal initiative. It would be impossible to do justice to the enormous wealth of ideas that Bob Nelson, in his remarkable 1001 WAYS series, has elucidated for both employers and employees. This bestselling series points to a new way of looking at employee-employer relations, offering practical advice, case studies, thorough research and evidence, and clear business theory. Also available: 1001 WAYS TO REWARD EMPLOYEES, the bestselling title that started the series; 1001 WAYS EMPLOYEES CAN TAKE INITIATIVE, turning its voice towards the ambitious employee who wants to develop self-leadership, set goals, and build a team; and the 365 WAYS TO MANAGE BETTER Page-a-day Perpetual Calendar, with daily advice for the conscientious manager.

**Laugh and Get Rich: How to Profit from Humor in Any Business** by Darren LaCroix and Rick Segel

*Editorial Review by Alan Weiss, Ph.D., author - "Million Dollar Consulting"

This is a good way to laugh all the way to better performance and higher profits.

*Editorial Review by Mark Victor Hansen, Co-Author - “Chicken Soup for the Soul”*

...tells you how to get the discipline of laughter into your business life to make your life the good life...
Editorial Review by Nido R. Quebein, Chairman-Creative Services, Inc. and Past President of the National Speakers Association

This book will help you to know more, do more, and be more. Read it to learn. Apply it to grow.

"Laugh & Grow Rich...How to Profit from Humor in Any Business" is a collection of tools that will serve as a blueprint for business success while you enjoy the process. Humor makes "cents". We are living in a user-friendly, instant gratification, entertain me now society that is willing to part with its hard earned money--if the process is made entertaining.

Quality, service, price, and selection are no longer the only differentiators of a business. The use of humor in business is powerful because it not only attracts new business, keeps existing customers or clients, but makes the process enjoyable for both customers and employees alike. This book will show you how to make this "laugh and grow rich philosophy" a part of your business culture.

Client at the Core: Marketing and Managing Today’s Professional Services Firm by August Aquila

"Clients At The Core is an essential blueprint to helping us all take the next steps. The authors, battle scarred by the evolution of professional firm management and marketing from then to now, have captured the changing needs of the firms in this turbulent new economic era. This is a well-written book that uses plain language to convey practical, well thought-out ideas." -- Patrick J. McKenna, a leading international consultant to professional service firms

"The authors have captured the changing role of professional services marketing and firm management. There is valuable insight [in this] down-to-earth guide to competing successfully in the new environment." -- David Maister, author and consultant

"The book is a masterpiece! Aquila and Marcus have produced the essential guide for managing a professional services firm. They've marshaled their considerable real-life experiences and far-reaching vision into a veritable operating manual for the successful firm." -- Rick Telberg, Editor at Large, American Institute of Certified Public Accountants

"At its heart, this book is the running shoe for legal and accounting professionals who want to put the client first. Following the evolution of the industry over the past twenty-five years, this must-have for every professional services firm is the key to leading in the turbulent and highly competitive waters ahead." -- Richard S. Levick, Esq., President, Levick Strategic Communications, LLC, coauthor, Stop the Presses: The Litigation PR Desk Reference

"Client selection and retention is one of the critical success factors for a professional services firm, and Aquila and Marcus do a masterful job at educating us on the necessary ingredients of each. The chapters on firm governance and paying for performance are thought provoking and certainly challenging to the conventional wisdom. If you want a better understanding of marketing and leading a professional firm in these turbulent times, this book is essential." -- Ronald J. Baker, author, Professional's Guide to Value Pricing and The Firm of the Future

Securing the Future: Building a Succession Plan for Your Firm by Bill Reeb

This book was written as a tactical guidebook for CPAs wishing to develop a successful practice transition plan. Bill surveyed over 500 CPA firms and conducted in-depth interviews with 30 managing partners representing firms in transition or about to grapple with succession. This research along with Bill's 20 years experience working with family owned businesses and CPA firms as a management consultant make this book a tactical guidebook for CPAs wishing to develop a successful practice transition plan. Bill's first hand knowledge of implementing change in organizations so that business transition occurs more smoothly are the foundation principles which guide this text.

Details in this guide include:

- Structure and Leadership
• Operations and Growth
• Creating Plans
• Succession Strategies

Included with this book is a two-hour DVD containing expert-panel discussions on topics covered in this guide plus checklists, templates, and a test for gauging your readiness for succession. Purchase at CPA2biz.com (AICPA Online Store).

**Start Consulting -- How to Walk the Talk** by Bill Reeb

This book was written to help CPAs be more aware of, and better manage the constant transition between, filling the role of Expert and that of Advisor/Facilitator. In a time when traditional services are being squeezed by what the client is willing to pay, what our professional standards dictate that we do, and what our litigious environment is increasingly challenging, consulting/advisory work is one silver lining on a cloudy horizon. Businesses everywhere are asking new questions; instead of "how profitable are we?" questions focus more on "where will our profits come from tomorrow?" While we have the knowledge to provide this assistance, this book centers on augmenting and/or refining the skills required to effectively deliver these future focused advisory services, from:

- developing the skills and techniques used to deliver these services,
- to being more capable of identifying client needs,
- to motivating the client into seeing the value of getting you involved right now,
- to marketing your firm,
- to pricing and administering the work ... and much more.

This book was written so that every person with client management responsibilities would have a "back to the basics" primer of what it takes to actually become "the most trusted advisor" we pride ourselves in being. Purchase at CPA2biz.com (AICPA Online Store).

**Manager of Choice: 5 Competencies for Cultivating Top Talent** by Nancy Ahlrichs

*Editorial Reviews from Booklist*

By now, "Employer of Choice" has become almost a cliche among companies both large and small. The phrase reflects the organizations' laudable desire to rise to the list of best companies to work for. Yet, according to human resources pro Ahlrichs, even this goal is not enough to sustain any business in the wake of changing demographics and the changing importance of employees as assets, among other factors. The emphasis, she asserts, must be on developing managers of choice (MOC) through five specific competencies (that's consultant speak for skills): talent scouting, relationship building, trust building, skill building, and organizational brand building. She explores these throughout the rest of the book, with sidebars about comparative practices (what's working at Nokia or Wal-Mart) and end-of-the-chapter summaries and discussion questions. Some samples of her advice included: 10 rules for designing a culture that inspires innovation (one is "set unreasonable expectations"); staff development metrics; and tips for becoming an MOC with teleworkers. These are great, hands-on tactics for realizing an employer's lofty ambition. -- Barbara Jacobs

**Competing for Talent: Key Recruitment and Retention Strategies for Becoming an Employer of Choice** by Nancy Ahlrichs

*Editorial Reviews from Amazon.com*

**Competing For Talent**, by human-resources consultant Nancy Ahlrichs, is a solid and accessible resource for anyone who recognizes that "people (not technology or products) are the key to organizational success, innovation, and profitability." Ahlrichs advocates becoming an Employer of Choice, or EOC, which charts "new strategic directions that put people in the profit equation." Although there is no one-size-fits-all approach to recruiting and retention, she outlines some of the tools and techniques already in use by others along with her own advice for embracing them. A lengthy Introduction examines profitability...
in a tight hiring market, and offers ways to document turnover costs and uncover its causes. Part One explores the tactics used by some successful EOCs, and presents specific ways to adapt them. Part Two focuses on recruiting, examining the processes and technologies involved as well as some underutilized sources for quality candidates. Part Three looks at retention, laying out tactics for lowering turnover that range from improving compensation and benefits to total cultural rehabilitation. A final section offers information specific to “information technology brainpower.” -- Howard Rothman

Thank you to event sponsors Taylor Made Software, Mize Houser & Company, CPA Technology Advisor and Xcentric

3rd Annual Pre-Conference Accounting Technology Administrators Fly-In

Presented by Roman Kepczyk, InfoTech Partners North America and Trey James, Xcentric

The AAA hosted another successful ATA Fly-in with over 70 participants including network administrators, IT directors and firm administrators responsible for managing the IT functions within their firms. Roman H. Kepczyk, CPA, CITP facilitated the program along with Trey James from Xcentric, whom was the event sponsor.

The session begin with a retrospective look at technology in the 80’s and 90’s, and the lasting impacts of these technologies on the ownership group, including decisions still being made by CPA partners that grew up during these eras. Roman also shared today’s primary concerns of the ownership group in regards to staffing and retention, the looming succession crisis, and anxiety about security and privacy that is taking up mindshare of partners.

Roman then walked through digital best practices within the administrative, client service, audit and accounting, and tax departments. The key point was that while he had never seen a “paperless” office, there are many digital best practices that allow information to be captured as it enters the firm and stored in a format that is accessible to anyone that needs access to this information and is authorized to view it. He walked through the natural transition firms go through to adopt “less paper” technologies within each department, and the importance of prioritizing training as firms can only evolve as fast as the slowest adopter within the firm.

ATA participants then split up into three groups depending on firm size and had open discussion on practical applications of digital best practices within their firms. These break-outs continued through lunch and gave participants an opportunity to network with peers and delve deeper into technologies.

The afternoon focused on “Hot Talk” topics which provided participants with the opportunity to have open discussion on best practices beginning with securing technology, including anti-virus, spyware, firewalls, vulnerability assessments, passwords, encryption and security policies and procedures. IT Governance was the next topic covered, in that technology management has become the responsibility of management today and could not be relegated to computer technicians. Roman also discussed resources and standards for IT policies and procedures. The discussion then turned to IT staffing and retention including benchmarks for the number of personnel and salary ranges for IT-related staff. Disaster recovery was discussed next with Roman recommending all firms develop an immediate disaster response as well as highlighting templates for creating an actual disaster recovery plan. The group also discussed remote access options including Citrix, Windows Terminal Services, XP Remote, and the wireless and broadband Internet connectivity that provides the information “pipeline.”

INSIDE Public Accounting provided a free subscription to one lucky attendee – Lisa Raymond of Price Kong and Company in Phoenix, AZ. Louis Hawkins of Machen, McChesney & Chastain, Auburn, AL, will receive a complimentary copy of the publication’s annual Benchmarking Report.
The groups then split out based on those that focused on technical IT issues as well as those focused on managing the IT function. These sessions provided an opportunity for participants to ask specific questions and network with peers. Roman and Trey then closed the session by surveying the audience for format changes and topics for the following year.

Thank you to our sponsors and vendors – please support those who support us. If you need contact information for any of the following vendors, contact the AAA National Office at (937) 222-0030 or aaainfo@cpaadmin.org.

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Xcentric

Thank you to session sponsor Commercial Logic, Inc.

Succeeding in a Flat World
Presented by August Aquila, The Growth Partnership

August states that we are becoming a flat world again - meaning with technology we are working better, quicker and cheaper and around the world not just locally or regionally.

Global trends included:
1. Technology - really changing the world fast
2. Communications - clients expectations are to communicate anywhere, anytime
3. Outsourcing - biggest impact to come, $.17 per hour for tax and bookkeeping from India
4. Regulations - continuing new problems
5. Globalization - one set of international rules
6. Firm governance - traditional partnership will be hard to keep
7. Fewer equity owners - will see 2-tiered partnerships, this driven by demographics and lifestyles
8. Demographics - 11,000 people turning 60 yrs old every day starting this year; 50% of the current graduates are women. Most firms through out country were started in late 1960's and early 1970's by the baby boomers.
9. Changing nature of the profession - client retention was 27 years, now moving to 3 years.
10. Competition and marketing - center of the firm pendulum moving.

August completed a survey of the AAA members prior to the Conference. He had 109 respondents from 37 states and Canada. Average firm has $10million in revenue, ten owners, two offices, 56 FTE professionals and 14 administrative staff. He then went through the observations.

Client Observations -
- More sophisticated,
- Loyalty is strong, but decreases as firm size grows,
- Small clients doing more accounting work in house; larger firms outsourcing.

Pricing Observations -
- All firms have more pressure to lower fees,
- Most firms hard to raise rates over 10%,
- More fixed fees with existing clients,
- More competitive bidding for clients.
Employee Observations -
• Difficult in recruiting employees,
• Good news is employee turnover is low,
• All firms must pay attention to employee motivation needs,
• Complete employee satisfaction surveys, so you know what they want.

Marketing/Sales Observations -
• Firms are not having problems finding work,
• Firms offering more services this year than last year,
• SOX work not filtering down to smaller firms,
• Continue to focus on specific niche and industry services,
• Spending more dollars on selling skills.

M & A Observations -
• Currently a buyers market and not seeing this change for next 10 years,
• Most firm involved or more active,
• Activity by consolidators down, but not out.

Ownership Observations -
• Not retiring early,
• Owners more optimistic, compensation is higher,
• More owner accountability, no longer can they do what they want,
• Smaller firms lack future leaders,
• Make sure move to pay for performance plans.

Firm Management Observations -
• More strategic plans and working on execution,
• Larger firms managing owner role evolving to CEO,
• AAA members not outsourcing tax or bookkeeping.

Training & Learning Observations -
• 1 - 4% of revenue spent on training,
• Owners increasing their technical skills more than soft skills,
• Owners and employees developing specialized skills, which the client wants,
• More firms measuring marketing ROI than training ROI.

Technology Observations -
• Larger percentage moving to paperless,
• Replacing technology more often due to growing obsolete,
• Smaller firms training on Microsoft office.

To wrap up August's presentation he stated firms needed to not stay average. Take action steps to embrace globalization, educate the clients, break down internal silos, and create client partnerships.

Thank you to session sponsor Business Performance Solutions

Management on Purpose: Instead of by Accident

Presented by Bill Reeb, Winters and Reeb

Bill opened with needing to have an agreed upon strategy for the firm. Until the firm is close to $30 million, it really has separate practices, and partners are more accountable to clients than the firm. Need
to formulate incentives to the partners and staff to change behavior. Without planning to set sail in a direction, any partner can change the course.

Organizational Focus
- Today technology is standard business. If your firm is not on the cutting edge, then you need to get caught up.
- How do you find the right people? And then not burn them out?
- Managers focus on doing the things right whereas leaders focus on doing the right things.

New Thinking:
- Today's reality is, if you don't start developing accountants, you won't find them. Few experienced people are available.
- Younger partners can't manage large books of business like the senior partners. How can they? They can't act like traditional partners because the senior partners keep overloading them with manager-level work.
- Your organization is the way it is because of you - its leaders. If your people are not ready, it is most likely because you have shackled their development.
- That good, loyal workers put in 60+ hours a week - just because you don't have a life, doesn't mean that everyone who works for you can't have one.
- A partner's main role should be client management. When partners are in the office working on projects queued up on the floor, they are abdicating the one responsibility that no one else in the firm can do… Make sure we understand what keeps the client awake at night.
- Partner's should do better at cross-selling services. If you are using these words, than you are not one firm, but eight individual ones.
- Stop giving away your services!! We are the only profession that opts to fight a supply/demand curve in our favor.
- Best employees are here at 7 p.m. We fight for the good employees and then ride them like a mule. If you are really smart -- everyone would want to be dumb.
- Part-time managers should not manage people, just technical issues.
- Supervisory managers should be provided bonuses on how well their staff performs – it's not about self.
- Partner's only want you to think after all your detail work is complete!
- Generation that grew up without money - so they are hard workers; now have generation that grew up with money and want to leverage to get me more.
- You need to continually re-think the way you operate. Constantly have to challenge what is happening in your firm.

Unconventional Wisdom Says:
- Embrace the unexpected - that's why we have management.
- Try easy - don't make it harder.
- Always mess with success - don't always look at the past.
- Playing it safe is dangerous - this is worse than doing something, doing nothing.
- Don't compete… change the game.
- Sacred cows make the best burgers - get rid of the sacred cow.
- Mistakes are a good investment.
- Plan on changing your plans.

This session was designed for those professionals with less than five years of experience.

Building Your Asset as a Firm Administrator
Presented by Rita Keller, Brady Ware and Bill Leach, Katz Sapper & Miller

Once again, the dynamic duo of Rita Keller and Bill Leach shared a collective 55 years of experience with specific recommendations on how to do administration right.
They reiterated that administrators are here to serve the firm, its people, its clients and the public. To do this effectively, we need to make the role our own by expanding our activities and responsibilities, no matter what level of administration we handle from Administrative Supervisor through Chief Operating Officer. In a basic sense, owners should be dealing with the clients (present and future) and we should be doing the managing. They encouraged us to make our participation a career rather than just a job by being part of the firm’s management team.

We are responsible for our own growth and must never stop learning and expanding our knowledge and expertise and making it pay off. As Rita said, “Be an enlarger.” Bring problems and opportunities up the line but only with possible solutions. In addition, you should always have an action plan of what you and others are committed to do: What, Who and By When. Remember, as members of management, we get things done through other people much more than doing them ourselves.

Ultimately our role is to make the owners more billable. To get that done we need to take non-partner activities away from them but keep them informed.

In a second session, Rita and Bill concentrated on the firm administrator’s relationship to the firm as a whole. They noted that administrators have only one client – the firm. To carry out your duties and responsibilities you need partners who will champion your causes so they need to be kept informed and involved at the appropriate times and level. We can be successful only when we operate on a very high trust level.

Since our boss is the managing partner, we need a great working relationship. You will need to adapt to the managing partner’s personal style and work to avoid duplicating efforts. This means you need a clear understanding of your respective roles and duties. A clear and accurate position description for you at this time can really help. Then you need to share your respective goals so you’re not overlapping and can see things you can take away from your leader.

On a continuing basis, you and the managing partner need to have frequent open communication. This should include “face time” so you can see as well as hear what’s really being communicated. Emails should be reserved for confirming, understanding and giving updates.

Rita and Bill also shared a number of programs and activities they are implementing, such as:

- Mandated partner with staff lunches across the disciplines (audit with tax, etc.)
- Hiring a dedicated trainer on a part or full time schedule
- Staff mentoring by managers or partners on a formed, scheduled basis
- Defined and implemented career track for technical staff
- A formal future owner development program for the next generation of firm leaders
- Job and tax season surveys to learn where the firm can improve systems and procedures
- Seek local and national recognition for the firm
- Finally, find every reason to celebrate the successes of individuals, teams, departments and the firm and make a big deal out of it!

Clearly, the participants in these two sessions came away with really well thought out guidance, specific suggestions to enhance the administrators’ role and tools to implement these career enhancers. We all look forward to seeing either or both Rita and Bill at future Practice Management Conferences.

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Thank you to session sponsor BizActions

**Developing a Growth Culture**

*Presented by Gale Crosley, Crosley + Company*

Gale started with a quiz about the growth of our firms. Looking for firms that have grown 15% in the last year, knew the dollars in their pipeline, and had a business developer. She discussed going through the Rainmaking process and picking the area that needs the work. Then focus on 2 -3 pieces that you can implement now.
Discuss the pipeline. The pipeline is a financial statement of opportunity management. Have the partners sit down and list out the potential clients or leads that they are working on and list client, lead source, description of work, stage in process and potential revenue. If you have a good lead then you have about 20% of total revenue as potential. If lower, then you need to work on the lead generation.

When looking at the training model start at the top. Start training partners, then senior managers. Gale has a great Roadmap that explains the details.

Look at service areas as product lines. Drive revenue through the product lines and managers. Drive lead generation through niches. Implement pipeline then training and coaching. Consider hiring a business developer if you are not able to implement within current staff.

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*Read more about the National Conference in INSIDE Public Accounting*

**Managing Media Relations: External Communications**

*Presented by Julie Lindy, INSIDE Public Accounting*

Julie has been writing for accounting publications for a long time. Her presentation was to help the administrator know how to make contacts and pitch a story that she will want to write. You need to pitch the right story. The right story sells itself. Target where you want the story to be.

There is a holy trinity in the newsroom --

*The Father* - it is all about the reader,
*The Son* - getting the story right. Inaccuracy is a cardinal sin.
*The Holy Ghost* - timeliness, you must meet the deadline. April 14th everyday!

There is a Code of Ethics for journalists. Journalists are really high-wage earners. They thrive on being in the know, in the mix, and are inspired by public service. Journalists are not mathematically minded. So accountants can help in this area. They are always trying to find the extraordinary in the ordinary.

Ideas for getting coverage from local media -

- Sponsor a professional education seminar for journalists in your area. Use the strength of your firm and share with journalists.
- Localize! Look for ways to contribute to local media's attempts to localize national stories or bring depth to day-after local news.
- Create newsworthy events. Think of things you can do to make April 15, retirements, a new niche or service newsworthy.
- Pitch a story and send press release.

Julie gave many exhibits detailing:

- What to say when a reporter calls,
- An editor's perspective for press releases,
- Reasons to distribute press releases by e-mail,
- Why press releases fail,
- How to leave a lasting impression with the media.
Thank you to session sponsor Axiom Solutions

CPA Firm Leadership: Are You Ready for the Future?

*Presented by Steve Erickson, CPA, Steve Erickson LLC*

- Steve started with discussing the Accounting Industry's current issues - shortage of qualified people, rapidly changing processes and systems, organizational and individual stress, service quality and delivery concerns and increased public oversight.

- Discussed the demographics - average owner is 55 years old, 10 - 15 years from now, women will dominate the profession. Predict - women will own the CPA firms that figure out the future and how to be successful.

- Leadership Ideas:
  - Repair relationships and resolve any partner and employee issues. Improve performance by taking the negative out. Need to allocate resources. Currently only spending about 20% of time forward thinking, this should be 80%. The UNITY of partners is the center of everything.

- Plan for Profitability. Have a target profit and compensation plan. Eliminate the surprises which take away the hurt and state expectations.

- Apply the appropriate client service strategy for each engagement. Drive client value by giving them better decisions, better outcomes, less cost and more profit. Move to time sensitive engagement letters. State all pieces upfront to the client. If they do not follow through, then the fees are higher, etc.

- Carefully manage your scarce resources. Critical strategy to schedule, schedule, schedule. Don’t work on a client that is 60 days past due. Set your schedule and then work it. When one client is late, don’t change the whole schedule for him - just hold this client accountable.

- Know when to say "no." Biggest decision today is to say NO when you know this is the right answer. Build the practice you want, don’t take clients that don't fit. Happy people work better than unhappy people. So take work that builds this atmosphere.

- Don't rely on top line revenue measures. Realization is an outdated statistic, evaluate your revenue curve, focus on your weaknesses, and increase capacity. When you look at the revenue curve for the year - use this to base your quotes and what work to take.

- Standardize systems and processes. Eliminate confusion, increase efficiency, use your technology and learn from outsourcing models like CCH.

- Separate your "back office" from your "front office." This is the leverage concept. What work can be completed by someone with less experience? "Franchise the back offices of accounting firms to make them profitable." Know who is doing which piece.

- Make recruiting and retention the number one priority in your firm. Firms that have people will get work. Employees are more important than getting clients. Look for the brightest with the biggest smile!

Steve restated his Value Improvement Model that show partners are the UNITY or center of all firms!

**10 Ideas That Really Work to Recruit and Retain Staff**

Steve discussed recruiting and retention during his breakout session. He started by reminding the audience that every firm needs people, that there is a shortage of 3-7 year professionals, and people are a critical and strategic focus area (or at least should be).
#1 MAP Issue
- Critical staff shortage
- Value of labor is greater than value of work
- Aging workforce affects supply of labor
- Will need to change our staffing models
- Technology will reduce labor needs
- Key issues – balance client service needs against staff demand/expectation of flexible scheduling
- Work processes will be reengineered to reduce labor needs.

10 Ideas
1. Firms should improve focus and efforts on recruiting/retention
   - Limit the number of people involved in recruiting
   - Train them in interviewing
   - Craft & deliver a compelling message on why they should join your firm or stay with your firm
   - Partners should participate in the process
   - Employees/staff would participate
   - It is a year round process
   - Evaluate partners/staff on their success in recruiting
   - Consider staff referral bonuses, paid in public setting
   - Develop and document processes
   - Celebrate success

2. Build Employee Referral Network
   - Letter writing campaign – referrals, clients, and friends – let them know you are looking (after thanking them for their business) and ask for referrals and recommendations
   - Make one contact everyday and ask for a referral of a potential employee
   - Write articles and do speaking engagements (at classes, in BAP meetings, etc.)
   - Make referrals when you can
   - Never burn a bridge – build and maintain great alumni relationships
   - Be a firm that is easy to do business with – avoid the “arrogance of success”. Become an ‘accountants’ accountant’
   - Maintain good relationships with other firms

3. Differentiate your Firm
   - By clients you choose to serve (meaningful work for staff) – be selective
   - Develop unity of people and purpose

4. Work on the “Good” Clients
   - Good relationship with partners/firm
   - Growing and profitable
   - Acceptable levels of risk in the work
   - Valuable to the firm (done in the off season, etc)
   - Trust your people well

5. Create a Culture of Success
   - Allow for individual success
   - Job budgets – so staff have guidance on you expectations
   - Work assignments – varied and meaningful
   - Allow time to “think” –create ideas for clients
   - Make people “volunteer” – motivated to perform for clients and the firm: The have to want to work hard for you.
   - Allow for flexible and p/t schedules, when needed

6. Turn Good Intentions into Performance
   - Intentions > Conversations > Actions > Benefits > Rewards
   - Honor your commitments
• Keep behaviors consistent with your message – words > actions > internally > externally
• Creates a culture of trust
• Have the courage of your convictions – fire bad clients and bad employees

7. Define Success
• What is it?
• How do I get it?
• How will I be measured?
• Will you let me know how I’m doing?
• What’s next? How do I advance my career?
   a) Offer opportunity for:
      • Career
      • Stability
      • Meaningful relationships/shared experiences
      • A consistently better life
   b) Firm Success – Defined
      • Written plans
      • communicated to everyone
   c) Individual Success – Defined
      • Aligned with firm plan
      • Individual benefit described – advancement, promotion
   d) Career Development
      • Technical skills
      • Leadership skills/opportunity
      • Business knowledge
      • Interpersonal skills – communication; listening; interpersonal
   e) Use Effective Evaluations
      • Set goals
      • Monitor coach
   f) Build Intellectual Capital
   g) Monthly Self Evaluation
      • Successes described
      • Help needed
      • Behavior and attitude check
      • Training needs identified

9) Reduce Internal Competition for Resources
• Be sure staff have what they need to deliver high levels of client service
• Avoids frustration and burnout

10) Eliminate the negative talk
• Maintain positive attitudes and high expectations
• Never bad mouth a client
• Be a great place to work and employees become ambassadors of your firm
Mini Humor Boot Camp

Presented by Darren LaCroix

Darren had a great presentation of how to take humor to the workplace, whether you are with one person or a room of people. When people laugh this relieves tension, gets people’s attention, and most of our learning comes from fun and joy.

Darren talked about his development working with the toastmasters and doing stand up comedy. Toastmasters is a great place to make mistakes. Humor is in the eye of the beholder.

The most important part is the thought process of the audience. To be better at giving presentations - stage time, stage time, stage time. To WOW audience stretch three sides of the triangle - delivery, setting and material. Plus need all three to be great.

Darren walked through a few exercises to help each person write a joke, dissect the punch line and color our words. He did some training drills for delivery.

Comedy Secrets:
- It's a process.
- New comedians never turn down stage time.
- People laugh when their minds are successfully tricked.
- Almost all humor stems from tragedy.
- Great jokes aren't written they are rewritten.
- The secret ingredient in comedy is attitude.
- The greatest improv… Isn't!

Stated ways to put ideas into practice:
- First 5 minutes when you drive everyday, be a radio announcer. Announce everything you see.
- Make every cashier laugh or smile.
- Take a subject and rant & rave. Tape yourself and then play back. Usually you get a couple of good humor pieces.

When we humorize, we humanize!