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BRIDGING THE GAP

Strengthening the Connection between Current
and Emerging Leaders in the CPA Profession

Presented by
The CPA Consultants' Alliance

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*Strengthening the Connection between
Current and Emerging Leaders
in the CPA Profession*

Presented by:



ACTIONABLE INTELLIGENCE FOR THE TAX, ACCOUNTING & FINANCE COMMUNITY

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About

CPA Consultants' Alliance

Mission

The mission of the CPA Consultants' Alliance is to explore leadership issues facing the profession and develop and share solutions that benefit practitioners. CPA Consultants' Alliance members support each member's growth and collaborate to make a difference in the communities we serve.

Vision

To inspire positive change in current and future leaders of the CPA profession by collaboratively developing tools and content that will educate, motivate and increase their wisdom. To be known for the quality of our content and the power of our collaboration and teamwork.

Values

- Striving for continuous improvement
- Making a difference
- Operating with integrity and fostering trust and honesty
- Being open-minded, giving and collaborative
- Acting with unity and in the best interests of our group as a whole
- Speaking with a consistent voice and message

Members

The CPA Consultants' Alliance members each contributed a chapter to this book. Those members are:

- | | |
|-----------------------|------------------------|
| ▪ Gary Adamson | ▪ Terrence Putney |
| ▪ Mary Bennett | ▪ Bonnie Buol Ruszczyk |
| ▪ Sarah Johnson Dobek | ▪ Rick Solomon |
| ▪ Angie Grissom | ▪ Carrie Steffen |
| ▪ Dustin Hostetler | ▪ Sandra Wiley |
| ▪ Rita Keller | ▪ Jennifer Wilson |
| ▪ Roman Kepczyk | |
| ▪ Tamera Loerzel | |

Prelude

Among the biggest challenges accounting firms face today is that of passing the torch from today's established leaders, who are beginning to look toward retirement, to the emerging leaders who will lead firms into the future. This has always been a task fraught with difficulty, but for a multitude of reasons, many firms are now struggling more than they expected in their trek toward transition. There are questions between both sides of current and emerging leaders that contribute to the struggle:

- Do current leaders resist letting go of control?
- Are current leaders willing to make changes in their firms that will keep them competitive and sustainable to attract the next generation of leaders (and clients!)?
- Does the next generation of potential leaders have interest in leadership?
- Is there a lack of innate talent or acquired ability evident in the young professionals of today, or do we simply not have the luxury of time to gain the experience and knowledge our future leaders need to meet today's transition requirements?
- In a profession that offers so much opportunity and is experiencing so much growth, how can moving smoothly from today to tomorrow be as difficult as it currently seems?

In this book, the members of the CPA Consultants' Alliance examine this disconnect from a variety of angles. Each chapter represents the contribution of a particular expert who serves the accounting profession in a niche. Through their work, these

thought leaders are intimately familiar with the profession as well as the challenge of bridging the gap between one generation of leaders and the next, and have devised various approaches to resolve it. Each chapter offers analysis and ideas that reflect the nuances of their respective specialties, which include cultural shifts firms should be considering, marketing and growth strategies, human resources and leadership development and technology and process improvement considerations.

The result is a useful compendium of insights and strategies to help accounting firms take concrete action that bridges the gap in expectations, goals and communication between today's firm leaders and tomorrow's. It is not enough to theorize; overcoming a business challenge of this magnitude requires accurate understanding followed by planned steps to initiate solutions and measure the results. Before taking action, however, it is imperative to gain as thorough an understanding as possible of both current and emerging leaders' views to maximize the probability that the steps firm leaders take will bring about the desired results.

For this reason, we have included discussion questions following each chapter. These are designed to help firms and those who work with them examine their own relationship to leadership, change and each other. They are not meant to be taken as assignments that must be answered briefly or in any specific order before moving on, but as launch points for an earnest and open examination of the dynamics and practices within each firm that contribute to its relative success.

Note that we do not say 'success in a particular area'; we simply say 'success' because we firmly believe that addressing the issue of improving communication and building understanding will result in greater success for the firms that achieve such a goal, no matter how they choose to accomplish the task. Beginning this sort of initiative by gathering input from multiple team members with representation from all generations through book club-style

discussions is often a useful approach. Readers are invited to use the questions thusly, or simply as aids to individual thought regarding the content of each chapter and how it relates to their own firms.

Taken as a whole, the information shared in this book describes a challenge that concerns many accounting professionals. Some will find it interesting to read straight through, as they join the respective authors in pondering the many different angles and viewing the big picture. That's not necessary, though. Readers can feel free to skip around as they wish, picking and choosing the chapters that hold the most interest or focusing on the sections that seem most relevant to the challenges they are seeing within their organizations.

And finally, readers should understand that the advice and ideas here are not intended as an end all or definitive guide to solving generational disconnects once and for all. Strengthening the connection between current and emerging leaders is not a "one and done" kind of operation, nor is resolving the challenge of leadership transition a static issue. There are dozens of additional approaches, no doubt, and more will emerge to match shifting needs.

What the CPA Consultants' Alliance offers here is a comprehensive approach to thinking about the many faceted challenges that firms are dealing with – an approach that explores the nature of the problem from many perspectives to promote understanding and facilitate creative thinking about solutions. The most appropriate and effective solutions for each firm will vary, of course. Some readers may spot in these chapters an idea that looks like a perfect match for their needs; others may find inspiration here for a different strategy that works well at their firms.

In most cases, a multi-pronged attack will yield the best results to reach across the divide between young and old, and in every case

it is only through sustained effort that the payoff will become visible and accrue to the benefit of the firm and its long-term sustainability. Carefully formulated strategies will have to be refined and reevaluated in response to new information gleaned from feedback and observation. The goal is a worthy one, but the journey is a process that must unfold slowly over time, and the paths to success are as myriad and individual as the accounting firms that will traverse them. Whatever path your firm may choose to follow, we wish you the greatest of success in your quest to bridge the gap and strengthen the connection between emerging and current leaders.

1

A Call For Change: An Open Letter To Each Generation

by Jennifer Wilson

Much like siblings, multiple generations working at the same firm often bring entrenched points of view and strong biases that have at least some basis in truth. Dropping these notions may be uncomfortable and require a conscious effort, but will benefit the firm as well as individual relationships within it.

With three distinct generations in the workplace today, the impacts of generational differences are phenomenal. Firm leaders are challenged to balance and blend each generation's unique historical context, motivators and somewhat differing values systems to create a unified team and a sustainable firm.

To ensure that the generations co-exist and collaborate, it is helpful to understand the differing perspectives and to encourage each workplace generation to have empathy for the others. In addition, firm leaders should encourage all team members of every age to give up their resentments and old stories about the other generations and focus on teamwork.

3

The Culture of Continuous Improvement

by Dustin Hostetler

Change is never easy, and the accounting profession has often shown a particular resistance to relinquishing traditional patterns. But for those firms that embrace change at all levels through process improvement initiatives such as Lean Six Sigma, the results have been both visible and rewarding. When this kind of initiative succeeds, generational conflicts melt away as the shared vision and firm-wide efforts unite older and younger team members in their quest for the common goal.

Lean Six Sigma and Change Management are popular concepts in accounting firms today. A key reason is because firms are discovering the ad-hoc and disjointed ways of changing processes and technology in the past isn't sustainable in today's rapidly changing external environment. One-off improvements and best practices, at best, lead to short-term and isolated gains. Without longer-term vision and understanding, changes never truly take hold and the all-important buy-in factor is often missing. Enter Lean Six Sigma – a thought process and disciplined methodology to create an unparalleled culture of continuous improvement. A culture that both current and emerging leaders embrace and share.

5

Growing and Developing Future Leaders Is a Two-Way Street

By Carrie Steffen

Bemoaning a lack of future leaders within the firm is not a solution to the perceived problem. Instead, it behooves current leaders to identify and nurture potential leaders, helping them develop the relevant skills and clearly communicate a defined path to leadership as well as expectations for applying targeted competencies. Young professionals with aspirations of leadership, in turn, must embrace opportunities and demonstrate willingness to meet current leaders part-way.

Firms are at a crossroad when it comes to transitioning to the next generation of leaders. According to the CPACA study on Succession Readiness, 48.3% of firms of all sizes cite “lack of future leadership talent” as a primary obstacle in their succession.

While some partners believe there is a lack of leadership talent within their firms, it’s likely that the talent is there; it just needs to be nurtured. It’s up to current firm leaders to create an environment that focuses on developing the skills most important

8

Marketing Is Not Just for Partners Anymore

By Bonnie Buol Ruszczyk

Firm-wide initiatives that bridge generations aren't limited to process refinements and Lean-style efficiency efforts. Dramatic changes in marketing have accompanied the digital revolution, and today's most successful firms are embracing their new opportunities. Marketing is yet another avenue for bringing together old and young firm members and enhancing mutual understanding as everyone works to benefit the firm's growth.

Marketing in the accounting industry has an interesting, and fairly short, history. It is not unusual to find partners who still remember when it was against AICPA rules to advertise, market, directly solicit or even participate in competitive bidding. Virtually non-existent for most of the 20th century, accounting marketing has evolved at a rather slow pace even since the rules were changed with the Bates ruling in 1978.

10

6 Tips for Fostering Leadership in Your Organization

by Sarah Johnson Dobek

Encouraging new leaders and creating smooth transitions are easy goals to identify. Honing in on specific tactics to accomplish these broad objectives can be much more difficult. This chapter offers practical suggestions from current leaders at firms that are finding success at developing the leadership capabilities of younger team members.

Leadership is one of the top issues facing accounting firms today. We often hear firms say they can't find or don't have good leaders in their organization. As most of us know, leaders don't usually fall off trees. Fostering leadership takes time and intention in any organization, which means that as a current leader, you have to be a steward of developing leaders within your culture. According to dictionary.com, stewardship is defined as "the responsible overseeing and protection of something considered worth caring for and preserving."

12

Collaboration Technology to Improve Your Firm

by Roman H. Kepczyk

Amidst all the discussion of improving understanding and bridging the gap in a somewhat humanistic sense, it's important to also address the purely mechanical aspects of communication. For firms to optimize efficiency and client service as well as to overcome generational differences, they must select and standardize the tools they use for communication. This is another area where shared knowledge contributes to performance in addition to a harmonious culture.

Communication is a critical component within every firm that can either enhance or detract from overall productivity. Core communication skills are developed as people grow. Most are comfortable with the communication tools they were introduced to early and utilize during their career, especially those they use on a day-to-day basis. Current firm leaders most likely can recall

Discussion Questions

1. What are some of the subtle ways affinity bias may be occurring at your firm? Think of specific examples.
2. What can current leaders do to encourage a fully inclusive environment that promotes engagement and professional advancement for all team members?
3. Would a targeted sponsor program benefit your organization, or do you think the sponsor relationships that develop naturally are sufficient to create a fully inclusive firm and develop the talent needed to support effective growth?

About Mary Bennett

Mary Bennett is the owner of MLBennett Consulting LLC where she works as a consultant to public accounting firms in the area of organizational development, diversity and inclusion, and maximizing high potential talent. Learn more at www.mlbennettconsulting.com.

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About *Bridging the Gap*:

Transitioning from today's leaders to tomorrow's is proving a difficult hurdle for accounting firms across the nation. Questions abound, such as is it just a sheer shortage of talent or is it a lack of interest in leadership from the younger generation? Or are firm leaders reluctant to invest in their staff or afraid to hand over the reins? What can be done to overcome this pervasive problem?

This book examines the disconnect between current and emerging leaders from a variety of angles, exploring causes of the apparent divide between what current and emerging leaders want, expect and perceive and potential solutions to bring them together.

About The CPA Consultants' Alliance:

The CPA Consultants' Alliance (CPACA) is a working group of thought leaders united in their efforts to further leadership within the CPA profession. Their focus is on offering ideas, deliverables and solutions CPA firms can use to advance leadership, which group members see as foundational to the long-term success of the profession.

In this book, CPACA members offer practical ideas for bridging the gap, based on deep accounting profession knowledge and experience in their respective niches. Strategies represent diverse approaches in areas such as human resources, growth management, process development, technology and marketing, among others.

