

Build a Better Career Path

Your future depends on how well you cultivate your staff.

by Joseph A. Tarasco and Nancy A. Damato

The staff shortage in the accounting profession is at an all-time high, and no relief is in sight. Even though national enrollment in undergraduate accounting programs has been going up—about 10% a year in the past two years—competition for professional staff among firms of all sizes has never been more intense. New hires generally last less than two years, and small firms lose about a tenth of their workforce annually. One New York recruiter says he has a standing order for 300 staff people from a single Big 4 firm alone.

Other recruiters acknowledge they no longer even try to get accountants for small CPA firms. Here are some ideas small firms can use to develop a reputation as a great place to work, strengthen staff-partner relationships and grow and plan for succession.

JOB SATISFACTION

To attract and keep their fair share of professionals, small practices are going to have to do more. With less to spend on human resources programs than big firms, they still have an advantage—they can be more flexible in the actions they take to encourage employee satisfaction.

Frame the issue for your workplace by answering a few pointed questions. How can your firm

- Attract and retain the talent it needs to support client services?
 - Build a succession plan to ensure the firm stays independent?
 - Add services to increase its value?
 - Effectively compete with larger firms?
- Some answers will be obvious. For example, firms that are attractive to staff offer
- A well-managed, supportive and prosperous work environment.
 - Ongoing professional development.
 - Career growth potential.
 - Challenging and exciting work.

Of course, success is in the details, and those flow from your values and choices.

TOUT GOOD POINTS IN WORD AND DEED

Variety of clients and specialties inspired the career choice of the CPAs interviewed for this article. Connect with workers who haven't yet taken the Uniform CPA Examination by letting them know what aspects of the profession you find satisfying. "I thought becoming a partner in a CPA firm would provide a good income, security for my family and dialogue with many different people—and it has," says Steven Wolpow, CPA, managing partner of Nussbaum Yates



Steven Wolpow, CPA, says his firm chose not to merge with another practice because of cultural differences that would have negatively affected its staff. The "other firm was less concerned about quality of life" for employees.

and Wolpov PC, a six-partner, 23-CPA firm in Melville, N.Y.

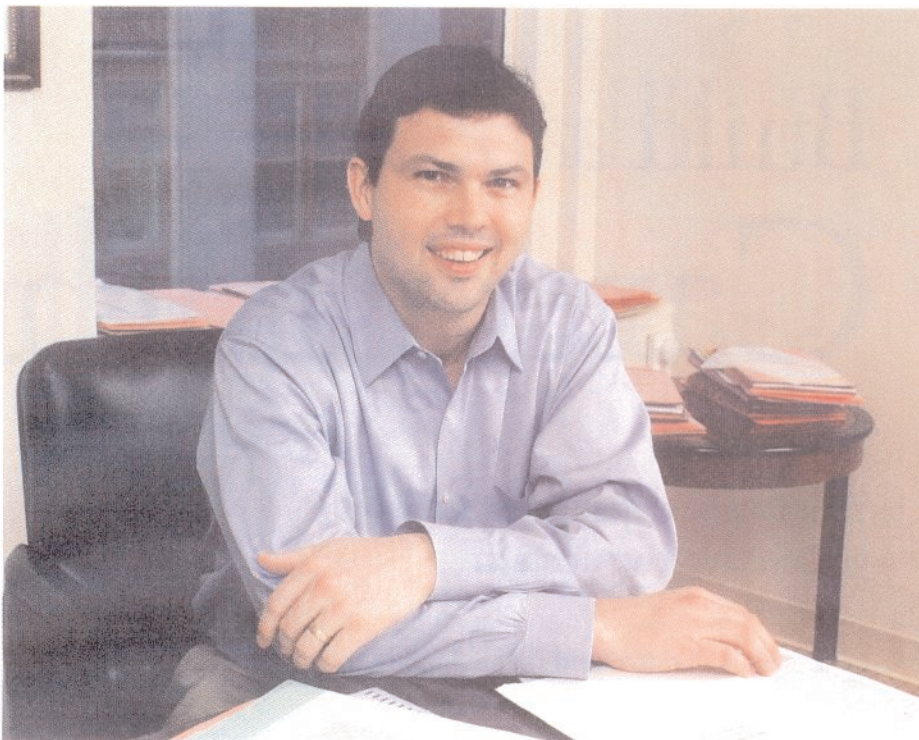
Brian M. Varley, CPA, of five-partner Berson and Corrado LLP, a Ramsey, N.J., firm with about 20 professionals, agrees: "The people I worked with were probably the most important reason I remained in public accounting."

Of her day-to-day work life, Deborah Bailey Browne, CPA, of Deborah Bailey Browne and Associates (DBB), in Wappingers Falls, N.Y., also says, "You really have to like change and people—and I do."

Help your staff enjoy their work and thrive by providing

- **Variety.** Employees will stay longer and perform better if you give them career-development opportunities. Ask them to list their professional goals and what they consider the best use of their talents to find out what they want. Implement their answers to the extent you can. If they say they want variety, provide it by rotating assignments and/or offering specialized training, for instance

- **Teamwork.** Phil Bank, New York manager of Kforce Professional Staffing, says the biggest challenge for firms is to inspire employee confidence. Staff want to know the firm's direction and that partners have an interest in their future. "Make them feel they're part of the team," he says. Schedule lunch meetings to discuss workflow, creative client service ideas, new and potential clients, and developing future CPE. Encourage employees to value each other's unique contributions (see



Brian M. Varley, CPA, says staff members who view public accounting as a long-term career are excited at the prospect of learning about nontraditional services.

"G.T. Reilly Creates a Sense of Belonging," page 39).

- **Acknowledgement.** How people are treated is as important to securing employee loyalty as salary. Staff members want and deserve appreciation, shown in part by how partners speak and listen to them. Be courteous and give deserved praise generously. Use rewards that don't break the bank but do fit the individual employee to acknowledge good perform-

ance. DBB recognizes staff throughout the year with gift certificates or tickets to the theater, sporting events or concerts. Employers who develop strong relationships with staffers keep them as much as 14 months longer than firms that focus only on output.

- **Work-life balance.** Many employees need help to balance personal obligations with work. At DBB, for instance, five of six staff members are women with families, so

EXECUTIVE SUMMARY

- **Small practices have to do more** to attract and retain the talent they need to handle client services, work toward succession, increase firm value and effectively compete with larger firms. How employees are treated is as important to securing their loyalty as salary.

- **Attractive firms offer a well-managed,** supportive environment, career growth potential, challenging and exciting work and work-life balance options such as flexible and part-time

schedules and work-at-home programs. Technology makes the efficiency of such arrangements better than ever.

- **Staff want to know the firm's direction** and that partners have an interest in their future. Employees who get career-development support stay longer and perform better. Firms should have staff list their goals and what they consider the best use of their talents. To the extent possible management should implement staff CPE and other development requests.

- **Using competency models** in staff training helps staff clarify what they need to learn and provides an eligibility benchmark for promotions and pay raises. Employees formulate annual goals and objectives linked to areas such as technical competence, managerial and supervisory abilities, practice development and marketing skills, client service and retention and engagement profitability.

- **Many small firms devote more time,** training and resources to

getting clients than to recruiting and retaining staff. Some firms don't yet understand that developing "human capital" is, in fact, working on the firm's growth and succession planning.

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the firm has a dedicated day care area. "Employees worry less and work better because they know that on snow days and school holidays day care won't be a problem," Bailey Browne says. From the smallest practice right up to Deloitte, competitive firms offer work-life balance relief to employees through flexible and part-time schedules and work-at-home programs. Technology is making the efficiency of such arrangements better all the time.

■ **Culture.** Decide what kind of firm you want to be. Nussbaum Yates and Wolpov chose not to merge with another practice because it realized differences in management cultures would negatively affect its staff.

"The other firm was less concerned about 'quality of life' issues and more concerned about hours billed," Wolpov says.

PROFESSIONAL DEVELOPMENT

Many CPA firm partners who believe in marketing don't readily see that their staff's knowledge and talent constitute a salable product. But a firm that actively develops its "human capital" is, in fact, working on growth and succession planning. Fortunately, nurturing and educating employees doesn't have to involve a hugely ambitious program, but it does require regular meetings and good communication between the different organizational generations.

To develop newer workers' leadership and enterprise potential,

■ Pair a partner with a staff member to get to know the younger person's interests over monthly lunch or breakfast meetings.

■ Have the partner learn the younger person's long-range goals and plans and jointly determine

Did You Know That

.....
...Just **10%** of firms have a career program that identifies expectations, titles and compensation alternatives for staff members who aren't on a partner track?

.....
...Only **11%** have a partner-in-training program?

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Source: "Best Practices in Recruiting and Retaining Talented Staff," a 2004 PCPS white paper, www.pcps.aicpa.org.

G.T. Reilly Creates a Sense of Belonging

Ever wonder why some firms hang on to staff better than others? One firm has this simple answer: "Make them feel they belong here." With annual staff retention at 96.5%, it's no wonder *Inside Public Accounting* has rated G.T. Reilly & Co. of Milton, Mass., among the top five firms in professional staff retention for three years running.

"Retention is the natural extension of our values," says Tony P. Smeriglio, CPA, the firm's president and managing director. These values are simple but powerful:

- Treat staff as we would like to be treated.
- Value each individual's input and contribution.
- Allow flexible work arrangements to meet personal needs.

Professional development has many faces.

Most firms with strong retention create this sense of belonging early in the professional development process. At G.T. Reilly, Smeriglio conducts heart-to-heart discussions with each staff member about his or her future potential, as well as the firm's expectations of them.

Smeriglio notes the diversity in age among the firm's partners (from about 45 to 58). The firm, by creating a steady stream of advancement opportunities through management-level vacancies, makes it easy for staffers to envision a long-term future there.

Staff training includes activities to bring partners and staff together. One popular program is

the annual practice development seminar, where staff and partners share marketing "war stories"—and build emotional bonds in the process. Professional development for junior staff also means including them at the firm's client networking events. At golf outings and other gatherings, junior staff members learn there's more to the job than just pushing numbers. An abundance of staff social activities (even during the busy season) serves to build camaraderie within the firm. And quarterly "staff-only" meetings led by seniors focus on firm issues and invite input from juniors. Good ideas are then passed up the line, so "staff members feel their input is valued and their

opinions count," Smeriglio says. Marketing awards and bonuses for passing the CPA exam provide further motivation for staff members, while a quarterly newsletter helps to keep them in the loop.

By providing a competitive compensation package, opportunities for professional and social development, and ongoing face-to-face communications, G.T. Reilly has created a culture that tells staffers: "You belong here!"

—John K. Allen

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specific short-term (one-year) and long-term (three- to 10-year) goals.

- Review and assess progress at semi-annual counseling sessions.

- Offer or reimburse employees for courses in any business subject that interests them—marketing, behavior, leadership, management, technology or niche skills, for instance.

- Bring young workers to client meetings outside the office so they learn how to conduct themselves in the field.

- Get their opinions on challenging situations. At DBB, team leaders encourage staff members to suggest improvements for each engagement. “We want our staff to

feel a sense of ownership in their work and client relationships,” Bailey Browne says.

- Be as candid as possible. Communicate with staff about the firm’s goals and plans. Hold annual or semiannual “state of the firm” meetings.

- Create a constructive work environment by being a cheerleader for the firm and avoiding negative remarks about other partners or staff.

CAREER GROWTH

Top-notch training to prepare for the CPA exam—traditionally a big-firm advantage—doesn’t have to be out of reach for small firms. Two-partner, 14-person

Marien and Co. CPAs LLC in Norwich, Conn., uses competency models to create systematic staff training programs. Employees decide on annual goals and objectives linked to those models in areas such as technical competence, managerial and supervisory abilities, practice development and marketing skills, client service and retention, and engagement profitability. Managing partner Marcia Marien, CPA, says the models clarify what staff members need to learn, serve as an eligibility benchmark for promotions and pay raises, and motivate people to succeed. The models, while specific to her practice, use principles similar to the AICPA Competency Self-Assessment Tool (see “AICPA Resources,” page 41).

Staff members at the firms interviewed said they appreciate regular feedback on how well they’re doing and how best to invest their time and energy. Customize technical CPE and training programs to your staff members’ clients and specialized industries, Wolpow says, and offer leadership and practice development training. Seeing partners promoted from within the ranks has encouraged his people and helped with retention, he says.

More-profitable clients need more and deeper services, providing better career de-



Deborah Bailey Browne, CPA, loves the different tasks and people that populate her workday. People are “the most important reason I remained in public accounting,” she says.

» Practical Tips

For partners:

- ▶ Assign tasks and client engagements slightly above the staff’s technical level and guide them through the execution.
- ▶ Offer or reimburse employees for courses in any business subject that interests them—marketing, behavior, leadership, management, technology or niche skills, for instance.
- ▶ Bring young workers to client meetings outside the office.

For staff members:

- ▶ Soak up all the knowledge you can. Choose an area in the profession that you enjoy and become an expert. Be patient and flexible—and pass the CPA exam as soon as you can.



Marcia Marien, CPA, uses competency models to clarify what her staff need to learn to achieve greater technical competence and deeper management skills.

velopment opportunities for both staff and partners, so Berson and Corrado regularly trims its client list to keep the firm sharp, Varley says. Offering nontraditional services also helps excite staff members who view public accounting as a long-term career. The firm also emphasizes the diverse nature of its financial planning services in its campus recruiting (see "Recruiting Made Easy," page 31).

"For training, we assign tasks and client engagements slightly above the staff's technical level and guide them through the execution," says Varley, even though it takes more time to skillfully balance client service with staff training. "And we still require our staff to learn how to prepare tax returns before they can learn to perform financial planning."

Varley advises newcomers to public accounting who want a career that lets them grow to: "Be a sponge! Soak up all the knowledge you can. Choose a niche you enjoy and become an expert. Be patient and flexible—and pass the CPA exam as soon as you can."

Wolpov offers a caveat about specializing, however. To avoid the danger of being pigeonholed, he recommends young accountants stay generalists for as long as possible. "Pick your specialty when you're mature enough to make an informed decision," he says.

Bailey Browne's career advice to young accountants is this: "Pick a great firm. Whether large or small, a great firm will mentor you and that's so important. Walk the area, meet the team. Expand your experiences in the first couple of years so you get exposure to different areas and then concentrate on what you like. We always do better at what we like."

IT'S UP TO YOU

All the firms interviewed in this article emphatically say talented staff want employers to give them exposure to diverse client services and industries. Career-oriented employees crave engagements that let them grow and enhance professional development. Those small firms that devote more time, training and resources to get-

AICPA RESOURCES

CONFERENCE

- AICPA Practitioners Symposium
June 12–14, 2006
Bellagio Hotel
Las Vegas

PUBLICATIONS

- *Journal of Accountancy*: "Staffing Update: Issues, Trends, Initiatives," Sep.05, page 87; "Nothing Succeeds Like Succession," Jul.05, page 63; "Outrageous Employee Benefits," May05, page 32; "How to Keep Them Once You've Got Them," Dec.04, page 57; "Who Will Take the Reins?" Aug.04, page 45.
- *Management of an Accounting Practice Handbook*, loose-leaf version (# 090407JA); e-MAP, online version (# MAP-XXJA).
- *Promoting Your Talent*, a guidebook for women in accounting (# 872566JA).
- *Work/Life: Striking a Balance*, a free DVD from the Work/Life and Women's Initiative Executive Committee, educat@aicpa.org.

WEB SITES

- To help aspiring CPAs learn more about the accounting profession and available career opportunities, go to www.startheregoplaces.com.
- For more information about small firm staffing issues, go to the PCPS Firm Practice Center, www.pcps.aicpa.org.
- For guidance on staffing and training-needs analysis, see the AICPA Competency Self-Assessment Tool at www.cpa2biz.com/CPE/CAT.htm.
- For more information about careers and work/life opportunities, go to www.aicpa.org/worklife.
- For more information about online workplace flexibility for CPA firms and corporations, e-mail educat@aicpa.org or order FlexWise on www.CPA2biz.com.

For more information, to register or to make a purchase, go to www.cpa2biz.com or call the AICPA at 888-777-7077.

ting clients than to recruiting and retaining staff need to remember that the survival of a firm hinges on its people. Partner development is an investment—one only your firm can make. ❖