

Developing a Partner Track

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Within the past month, two of your senior managers — both of whom you planned to promote to partner within the next two years — resigned. Now you're facing unexpected management gaps and your succession plan is in tatters. Could you have averted this scenario?

The supply and demand for experienced accounting talent is creating a serious void for firms' short- and long-term succession needs. Given the limited opportunities to recruit talent, once a firm does identify potential partners, it has become critical to develop and retain them. Consequently, firms must create partner tracks to attract, train and develop prospective partners or risk disrupting partner succession plans.

Grooming Talent

J.H. Cohn LLP, has approximately 130 partners and 1,000 employees. Carolyn J. D'Anna, CPA, is a partner and human resources managing director who oversees the firm's Partner Candidate Development Academy. The program identifies senior managers with the potential to make partner in the next one to three years and helps them develop the desired competencies. D'Anna says that 14-20 candidates are in the program at any given time, and the duration of enrollment and subsequent promotions vary year-to-year.

Wilkin & Guttenplan, P.C., which has 10 partners and 60 staff, also follows a formal development model called the A+ Leadership Coaching Program. Janine Zirrieth, Firm Administrator, says selected individuals — less than 10 percent of staff — participate in a self-

development and mentoring program overseen by the firm's managing shareholder, Edward I. Guttenplan, CPA. "It involves group exploration of leadership issues and practical implementation of plans to accelerate participant growth and success in the firm," says Zirrieth. "We hold periodic group and individual meetings with Guttenplan to discuss each participant's initiatives and required readings."

Creating Opportunities

Promoting senior managers to partner creates advancement opportunities for other staff, improves morale and aids retention. However, the strong economy of recent years has found many partners at retirement age who are earning substantial incomes. That is causing some to postpone retirement, and that delay can discourage staff members who see little hope for near-term advancement. Firms with older senior partners need to consider this problem and evaluate potential solutions. For example, J.H. Cohn has a mandatory partner retirement age of 65, and several of the largest firms require partners to retire even earlier.

Developing a Competency Model

Competency models allow both firms and staff members to agree on the performance standards necessary for promotion to partner. Without a detailed competency model, firms risk promoting candidates who lack the desired mix of partner-level skills. A detailed competency model should spell out the following:

- Technical knowledge.
- Practice development skills.
- Client relationship capabilities.

- Managerial and supervisory abilities.
- The ability to manage engagements profitably.
- The ability to recruit and retain staff.

Career Development Training

Some partner candidates' experience and natural talents will help them develop the required competencies on their own. Nonetheless, all candidates can benefit from a formal career development plan that includes mentoring and training. Mentors need to go beyond the occasional friendly lunch conversation and view mentoring as a formal performance-management role. Candidates need to know that the mentoring relationship is a key part of the firm's partner development process.

Similarly, training should include a formal and ongoing effort to assess the candidate's progress toward developing expected competencies. As part of the training, candidates benefit from regular reviews that tell them if the firm is satisfied with their progress and what additional steps they need to take. Training programs can be customized, while still addressing larger themes. "Some of the training depends on needs, but there are core competencies, such as problem solving, strong work ethic, integrity and others," adds D'Anna.

Mentors and Role Models

You've probably heard of Baby Boomers, Generation X and Generation Y. While it's unfair to stereotype a person by his or her age, there are recognizable distinctions between each group. For example, each cohort has its own views about



career success, work-life balance and other concerns. If a firm fails to recognize these potentially divergent attitudes when creating mentoring relationships and role models, those efforts risk losing their effectiveness.

For example, Baby Boomer partners might consider a 14-hour workday to be the price of success. However, Generation Y staffers might see the partners' heavy workload and question if they want to follow that career path. "With today's generation, we have to be flexible and prove that we value a work-life balance," says Zirrieth. "I recruit on campuses, and students today want to know how we achieve a work-life balance. It's not just about work anymore, and that goes for our partners, too. Employees won't buy in if our partners preach a work-life balance to employees but are not living it themselves."

J.H. Cohn also recognizes the need for flexibility with new employees. It has a formal mentoring

program that assigns a "buddy" to each new associate. After completing their first year, however, associates provide a list of three individuals in the firm whom they would recommend to serve as their mentor. D'Anna and her staff review the list to pick the person who they believe is best suited to enhance the associate's development. It's an innovative method for facilitating mentor/mentee relations, which subsequently can improve the pair's bond. "We feel it's very important for employees to have a say in who'll be their mentor," she says. "If they're not comfortable with their mentor, the relationship isn't going to work."

Cost/Benefit

There is no universal partner-track model. Nevertheless, every firm can benefit from a formal plan to identify prospective partners, create partnership opportunities and take steps to develop and retain them.

It takes time and effort to install a partner-track program, but in the long term it costs much less than losing key employees and disrupting your succession plan. ❏

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