

Practice Growth During Succession

What could be more vital to a firm's long-term success than continuing to grow revenues while partner succession is taking place? Growth during succession requires a complex set of strategies and plans that must be implemented years prior to partner retirement.



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Succession planning often involves the retirement of founders and rainmakers who've played critical roles in growing the practice for 20, 30, 40 years or more – this can't be replaced with a short-term succession plan approach. Some of the greatest risks to growth during succession are (1) replacing the exiting rainmaker's practice development skills and referral network; and (2) losing opportunities to add more clients and retain current clients if the trusted advisor role is not transitioned properly.

Practice Development

To help overcome the risks when rainmakers ride off into the sunset, young partners should receive formal and on-the-job practice development training throughout their careers. They should learn and develop selling skills and relationship-building techniques that encourage and motivate them to market themselves and the firm.

“Our young partners participate in new business meetings with senior partners, and they're involved in the proposal process early in their careers. Also, our future leaders and partners are members of the firm's marketing

and practice development committees,” said Director of Marketing Nancy Damato of O'Connor Davies, LLP.

A firm's practice development strategy must address short-term and long-term succession practice growth requirements in order to provide sustainable increases in future revenues and profits. “We realize the importance of building mutually beneficial relationships – an ongoing, career-long process for success,” said Marketing Director Yvonne Trella of The Mironov Group, LLC. “We train and develop our future partners throughout their careers to help them keep in touch with clients, prospects and referral sources so that they can continually provide them with industry insight and useful resources.” A growth strategy should be structured with the appropriate support mechanisms for younger partners and managers so that the process is succession-proof.

It's difficult to make it rain, but most anyone can make it drizzle with the proper professional support, a well-directed and managed marketing program, and practice development coaching and training. “We develop personal marketing plans for partners early in their careers, and our marketing department coaches and advises them during implementation,” said Director of Marketing and Practice Growth Rhonda Maraziti of WithumSmith+Brown.

Implementing a formal marketing and practice development infrastructure will provide a seamless transition of new business development during succession. Supporting partners' practice development efforts with professional assistance and a focused game plan can increase new business activities, and

the results will enable all partners to be engaged and play a role in practice development.

“Our young partners and senior staff are encouraged to write articles and speak at professional conferences that are attended by clients, prospects and referral sources. This gives them exposure to the marketplace and builds confidence in their practice development skills,” added Damato.

Practice development is a contact sport that requires a systematic approach to engage qualified client prospects and develop business relationships with referral sources. “Whether it’s expanding their networks of referral sources or client prospects, it’s important that pieces are being continuously put in place to sustain growth while our partners are retiring,” noted Maraziti.

Trusted Advisor Role and Retaining Clients

Quantifying new business from a partner’s trusted advisor role – from referrals and/or clients – is tough to determine. However, the trusted advisor role plays a big part in new business development, generating new business from existing clients as well as client retention. Marketing professional accounting services is different from other selling approaches. It normally requires building relationships and developing a sense of trust and credibility with clients and referral sources over time.

“The rainmaker development process starts very early in an individual’s career,” commented Chief Marketing Officer Charles G. Ludmer of CohnReznick. “That’s why we have the CohnReznick Rainmaker Academy. It’s part of our formal training where our most senior partners share the keys to their successes with our high-potential, next-generation partners. We ask participants to develop a personal marketing plan which is utilized as a personal and firm performance measure. This becomes an excellent entrée to build relationships and generate new business or to cross-sell value-added opportunities with existing clients.”

Developing staff and younger partners into the trusted advisor role is a

comprehensive process, and earning the right to be a trusted advisor starts years prior to succession. “The key is planning. That doesn’t necessarily equate to handing over the reins altogether,” pointed out Chief Marketing Officer Adam Schuman of Citrin Cooperman. “One approach involves grooming younger professionals to not only play more of a role with long-standing clients, but to educate and train them on the importance of establishing their own relationships and developing new business opportunities, thus filling the pipeline.”

In addition to a formal structure and marketing support program, it’s imperative that rainmakers pass on their skills, talents and know-how throughout their careers to younger partners. On-the-job client relationship training for young managers and partners is critical to succession planning. “We provide our future leaders with skills to help them be more effective at developing more powerful relationships with existing clients in order to maintain our higher retention rates and recognize relevant and

meaningful cross-selling opportunities,” commented Principal and Chief Growth Strategist Sally Glick of Sobel & Co., LLC. “Working on improving relationships with current clients is every bit as important as developing new ones.”

Establishing a marketing and practice development infrastructure and culture is the best way to ensure successful growth during the changes taking place in succession. “We have our partners create revenue action plans that align with their professional goals and the firm’s strategic growth plan. We provide them with the tools they need to identify, strengthen and grow their professional relationships along with the training they need to become trusted advisors. This has served us well during our many partner retirements,” added Trella. 🧑‍💻

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