

NJCPA Focus

Why Aligning Strategy and Performance Matters

by Joseph Tarasco, CPA, CEO and senior consultant, Accountants Advisory Group, LLC | Apr 18, 2018

Following a retreat or planning meeting, most CPA firms develop comprehensive goals and objectives as well as a strategic direction. However, to be a more integrated and cohesive organization, firms need to effectively align the performance and skills of their partners and staff to the goals and objectives of their firm.

This may sound easy, yet performance alignment is extremely challenging and crucial to a firm's future success in becoming a "one-firm firm," where there's a high degree of partner collaboration and team commitment to achieving the firm's goals. Once the partners and staff understand how they can make a direct contribution to build value in the firm, then they will begin to focus their efforts in a more synchronized fashion to work smarter and become more engaged in the process.

Mandating that partners and staff develop personal performance objectives aligning themselves with the firm-wide strategies is a first step. Those firms where partners appear to have separate practices within one firm or have partners who are only concerned with their departments or niches, very rarely attain strategic alignment. And it's important to manage partner and staff performance throughout the year.

So what kinds of alignment work best among employees? Some areas include:

- Technical skills and expertise
- Practice development and marketing
- Niche and/or industry specialization
- Client engagement profitability and management
- Career development for partners and staff
- Client relationships and retention
- Creating contemporary advisory services and innovative solutions to resolve clients' problems and issues
- Succession planning
- Recruiting and retaining talented partners and staff
- Mergers and acquisitions of smaller firms
- Maximizing the use of state-of-the-art technology and software
- Leadership and management

Successful firms have clearly defined and communicated goals and objectives that bind their partners and staff through an aligned strategic direction. Additionally, adherence and achievement of individual goals is firmly rooted and rewarded in their compensation structure, thus establishing a true strategically aligned performance-based culture.

Strategically aligned firms typically have a more positive culture, are great places to work, and end up retaining their best people. Partners and staff become more energized since they understand that their contributions support the firm's strategy and are factors in the firm's succession planning and future success. Implementing and maintaining an aligned CPA firm culture requires clarity and proper communications about the overall firm direction. This holds true in all size firms.



Joseph A. Tarasco

Joseph A. Tarasco, CEO and senior consultant, Accountants Advisory Group, LLC, assists the leaders of public accounting firms by consulting in all areas of firm practice management, including succession and strategic planning, firm governance, mergers and acquisitions, partner compensation structure, practice development, facilitating partner retreats, and leadership consulting. He is a member of the NJCPA Content Advisory Board and can be reached at joe@accountantsadvisory.com.

Read more by Joseph A. Tarasco:

- Continuous Recruiting
 - Growth via Acquisition
 - KPIs: Going Beyond the Numbers
 - The Path to Partner: 13 Key Attributes
 - How Small Firms Can Grow in a Challenging Marketplace
-

0 comments

Leave a comment

Your name

Email (optional)

Comment

SUBMIT COMMENT



New code

Please type the code above

Leave a comment