



Benchmark your firm against the practices and
processes that separate the competitively successful
SevenKeys CPA leaders from all the rest.





Jean Marie Caragher

Jean Marie Caragher is an award-winning, recognized industry expert with more than 25 years accounting marketing experience. Known as a knowledgeable, experienced, and tenacious marketing consultant to CPA firms Jean uses a practical, relationship-based approach to help CPAs achieve marketing

success. Her approach is based upon her experiences as a CPA firm marketing director, a CPA association executive director, and her 15 years of consulting experience since forming Capstone Marketing.

Capstone Marketing provides a variety of services for CPA firms including:

- Brand SurgerySM
- Marketing Plan Development and Implementation
- Inbound Marketing
- Retreat Facilitation
- Training
- Marketing Director Recruiting



Rick Telberg

Bay Street Group LLC provides actionable information, strategic insight, and results-driven solutions to the professional tax, accounting and finance communities -- and the vendors who serve them. Services include:

- Custom research and business intelligence
- New product development and strategy
- Organizational alignment and improvement
- Executive leadership training and team building.

Rick Telberg is president and chief executive of Bay Street Group. He is a veteran analyst, commentator, publisher, editor, media professional and the profession's most widely-followed commentator.



1. Leadership and Management
2. Technology Trends
3. Marketing and Business Development
4. Client Service and Satisfaction
5. Creating a Great Place to Work
6. Building the Learning Organization
7. Strategy Execution

Key #1. Leadership and Management: New Rules for the New Normal



Rate Your Managing Partner





**Essential
Leadership
Qualities for MPs**

Leaders are nearly ___x as likely to adhere to a clear set of values.



SevenKeys CPA Self-Assessment Scorecard

Use these pages as your overall scorecard. This will help you prioritize your action items going forward.

For Column A: Never Sometimes Often Always
 (0 points) (5 points) (10 points) (20 points)

Leadership and Management

	A: Rate Your Firm	B: SevenKeys Multiplier (provided during session)	C: Your SevenKeys Score (A x B)	D: Top Possible SevenKeys Score (B x 20)	E: My SevenKeys Gap Analysis (D – C)
We adhere to a clear set of values.					
We have management that leads by example.					
We hold top management accountable.					

TOTAL: My SevenKeys CPA Gap Analysis Score for Leadership: _____
(Total of Column E)



Developing Your Firm's Vision and Core Values



Leaders are x more likely to have management that leads by example.





Leading by Example



Engaging Your Employees



Leaders are x more likely to hold top management accountable.

Key #2. Technology Trends: Investment and Implementation Plan for the Best Firms



Leaders are x
more likely than
Laggards to affirm:
**“We know the
current status of
all jobs underway
at our firm.”**

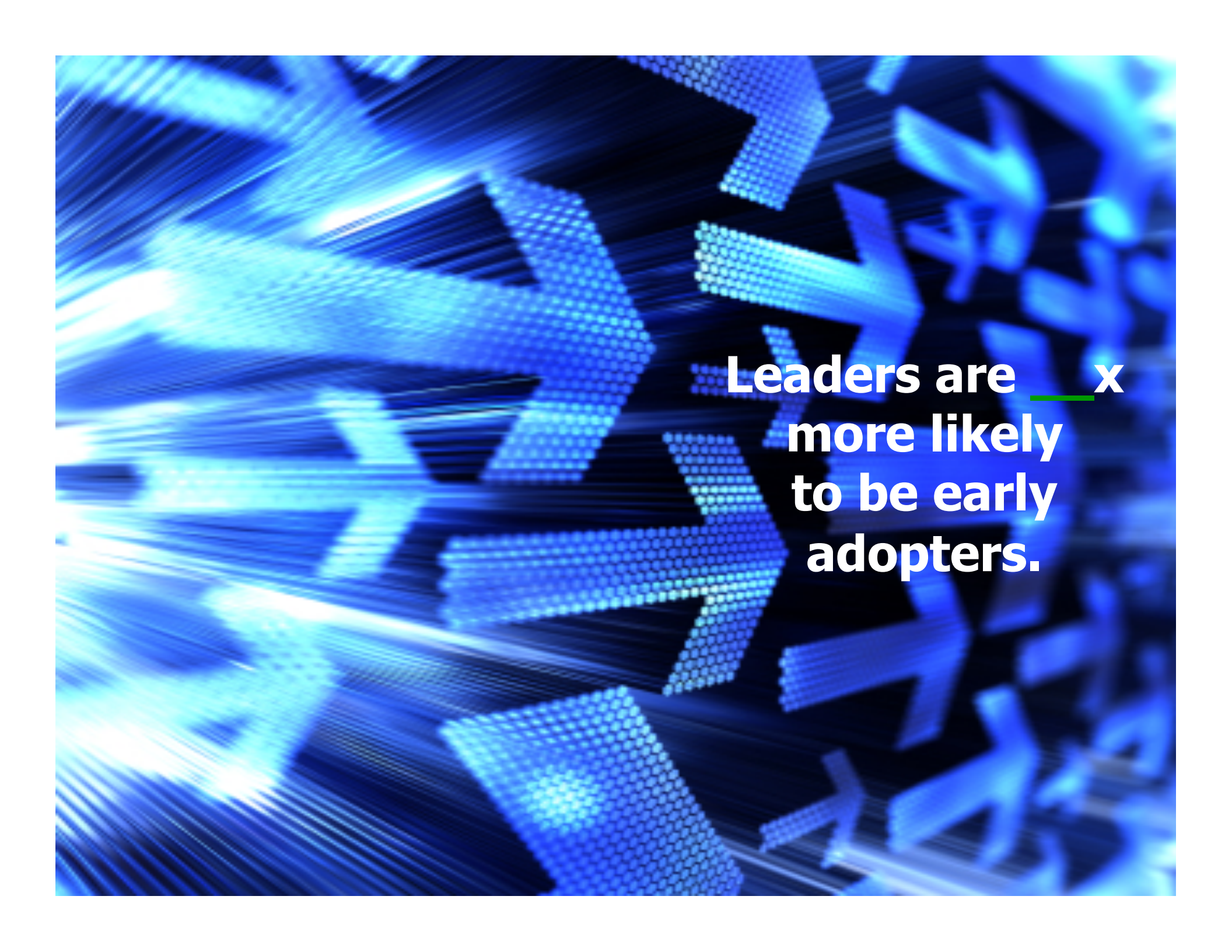




PRODUCTIVITY

Leaders are x more likely than
Laggards to affirm:

**“We are continuing, year after
year, to experience
measurable increases in
productivity.”**




**Leaders are x
more likely
to be early
adopters.**

The background is a vibrant blue with a pattern of glowing, wavy lines and small circular nodes, some of which are connected by dashed lines, creating a sense of dynamic movement and connectivity.

Leaders are 3x more likely to follow a strategic technology plan.

Leaders are 22x more likely to provide thorough and continuous training.



A futuristic, metallic computer system is depicted against a dark background. The system consists of two monitors on the left, one above the other, and a large, complex metallic unit on the right. The unit has a glowing blue screen at the top, a circular vent with blue light in the middle, and a series of horizontal slats at the bottom. The overall aesthetic is high-tech and industrial.

Leaders are 20x more likely to work with the best equipment and software available.

Key #3. Marketing and Business Development: Learn Today's Winning Strategies

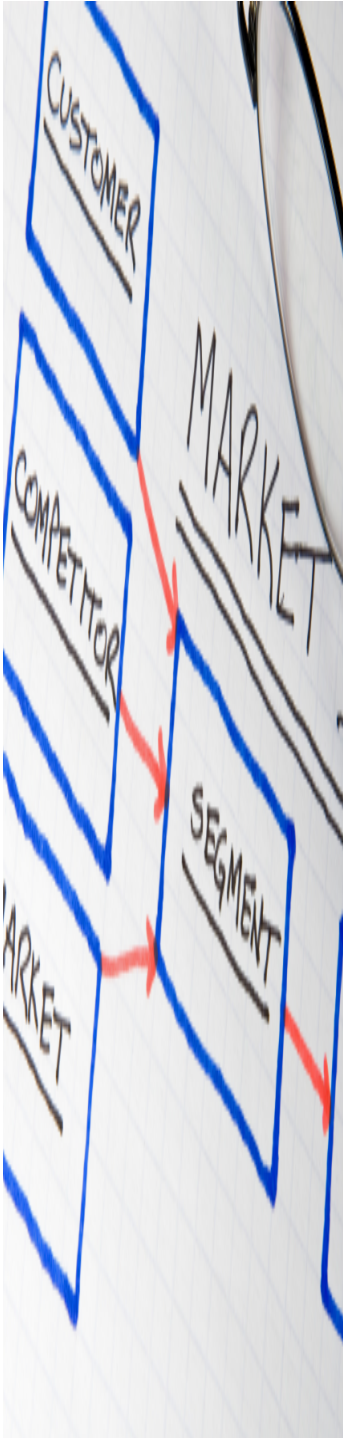


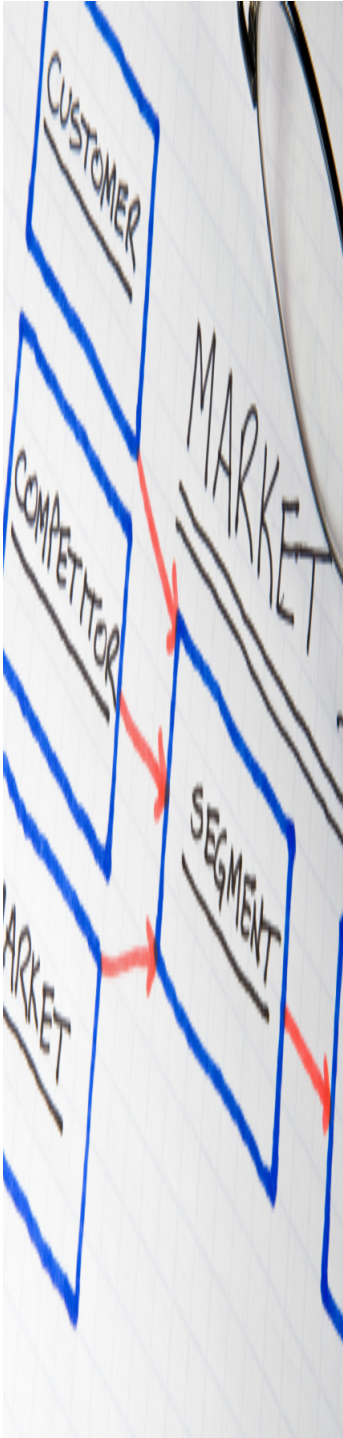


Leaders are __x more likely to follow
a written marketing plan.

Elements of a Marketing Plan

- Vision, Mission, Core Values
- Current Situation
 - Description of firm/niche
 - Description of target markets
 - Growth trends
 - SWOT analysis
 - Client analysis
 - Competitive analysis
- Goals and Strategies
- Timetable
- Budget





Goals & Strategies

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**ealistic
- **T**imely

Strategies: Action items that will help achieve your goals.

Example: Organize one seminar for manufacturing clients, prospects and contacts by May 30, 2014.

Task	Responsible Person (s)	Deadline
Determine seminar topic, speakers, and joint venture opportunities.		
Confirm site.		
Write and design invitation.		
Confirm invitation list.		
Mail invitations.		
Add notice and registration information to Web site.		
Conduct seminar.		
Follow up with seminar participants, no shows.		

Timetable #1

January 2010	February 2010	March 2010

April 2010	May 2010	June 2010

July 2010	August 2010	September 2010

October 2010	November 2010	December 2010

Timetable #2

[illegible]

Marketing Budgets




Budget Categories



- Advertising
- Consultants
- Direct mail
- E-newsletters
- Inbound Marketing
- Meals/ Entertainment
- Membership dues
- Networking
- Newsletters
- Postage
- Promotional items
- Proposals
- Research
- Salaries
- Seminars
- Social media
- Sponsorships
- Subscriptions
- Technology
- Training
- Website
- Miscellaneous



**Leaders are __x
more likely to
target niches.**



Leaders are nearly 3x more likely to fire clients that don't fit their target.

Reasons for firing a client, Leaders said:

“Client was too demanding and not appreciative of work and took long time to pay.”

“Management integrity issues.”

“Failed to follow advice. I'm a results-oriented firm. I coach, strategize, support, and measure. If you can't keep up with the program, you're out.”

“Too demanding and cheap.”

“Client was unresponsive and did not follow advice. I told them they must change certain practices for me to remain as the auditor. They found it easier to change auditors.”

“Client who demanded constant attention and then did not want to pay the bills. We just raised the price until he went elsewhere.”

“Not a good match of fees for services.”

How to Rate Clients





Leaders are __x as likely to get everyone involved and accountable for new business development efforts.

www



**Stronger Marketing: Website,
search, email newsletters, blogs**



http://www

Updating/Building Website

Starting e-Newsletters

Home >> Forums

Announcements

Important News

Any important news regarding the

Launching a Web Log (BLOG)



Leaders are 2x more
likely to be satisfied
with their firm's
performance in
marketing and business
development.



**Revenue growth of
leading firms is 19x
more likely to surpass
that of competitors.**



Key #4. Client Service and Satisfaction: How to Retain Clients and Grow Revenues



FIRMS WITH 1 PROFESSIONAL TOP 5 ISSUES <ol style="list-style-type: none"> 1 KEEPING UP WITH CHANGES & COMPLEXITY OF TAX LAWS 2 RETENTION OF CURRENT CLIENTS 3 BRINGING IN NEW CLIENTS 4 KEEPING UP WITH ACCOUNTING & ATTEST STANDARDS 5 SEASONALITY/WORKLOAD COMPRESSION 	FIRMS WITH 6-TO-10 PROFESSIONALS TOP 5 ISSUES <ol style="list-style-type: none"> 1 BRINGING IN NEW CLIENTS 2 RETENTION OF CURRENT CLIENTS 3 RETAINING QUALIFIED STAFF (AT ALL LEVELS) 4 KEEPING UP WITH CHANGES & COMPLEXITY OF TAX LAWS 5 FEE PRESSURE/PRICING OF SERVICES 	FIRMS WITH 21+ PROFESSIONALS TOP 5 ISSUES <ol style="list-style-type: none"> 1 PARTNER ACCOUNTABILITY/UNITY 2 BRINGING IN NEW CLIENTS 3 RETENTION OF CURRENT CLIENTS 4 FEE PRESSURE/PRICING OF SERVICES 5 DEVELOPING A SUCCESSION PLAN
FIRMS WITH 2-TO-5 PROFESSIONALS TOP 5 ISSUES <ol style="list-style-type: none"> 1 BRINGING IN NEW CLIENTS 2 RETENTION OF CURRENT CLIENTS 3 KEEPING UP WITH CHANGES & COMPLEXITY OF TAX LAWS 4 SEASONALITY/WORKLOAD COMPRESSION 5 KEEPING UP WITH ACCOUNTING & ATTEST STANDARDS 	FIRMS WITH 11-TO-20 PROFESSIONALS TOP 5 ISSUES <ol style="list-style-type: none"> 1 BRINGING IN NEW CLIENTS 2 PARTNER ACCOUNTABILITY/UNITY 3 RETENTION OF CURRENT CLIENTS 4 DEVELOPING A SUCCESSION PLAN 5 FINDING QUALIFIED STAFF (AT ALL LEVELS) 	

Source: The 2011 PCPS CPA Firm Top Issues Commentary



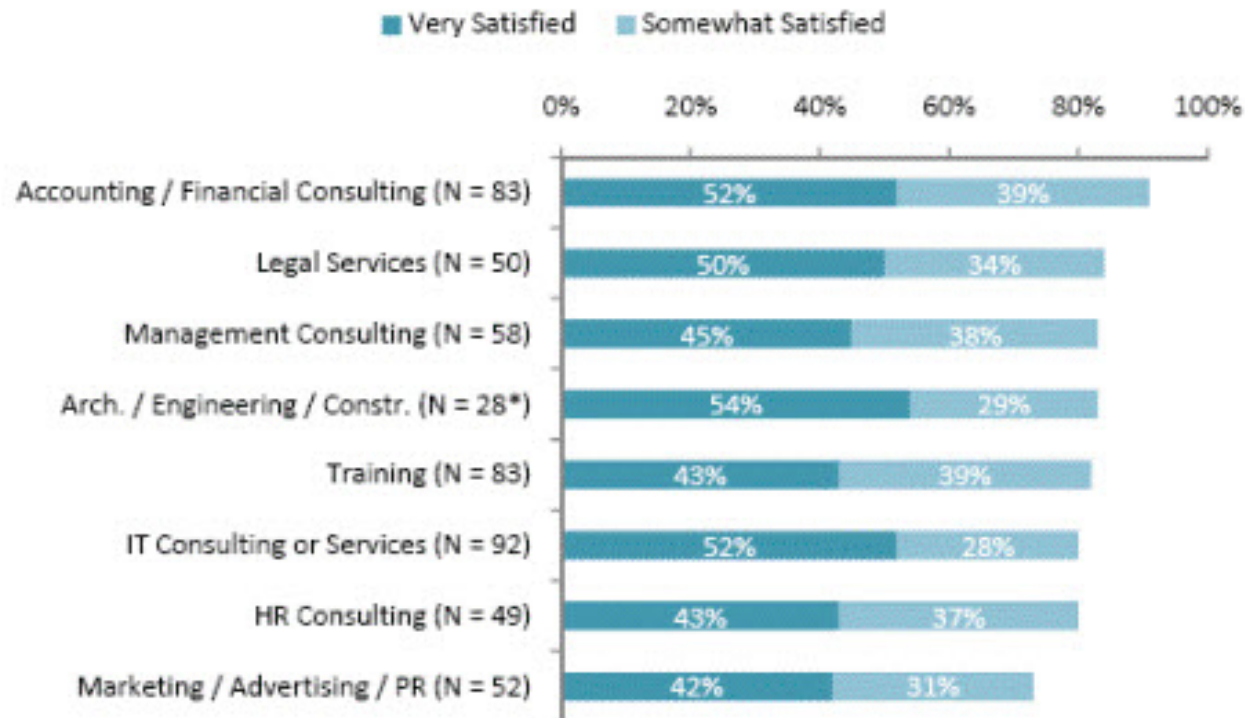
**A 5% improvement in client retention
can improve profits by 25% to 85%.**

Source: The Rainmaker's Toolkit

Accountants Lead Professions in Client Satisfaction

52% of accounting firm clients say they're "very satisfied."

Buyer Satisfaction by Service Area

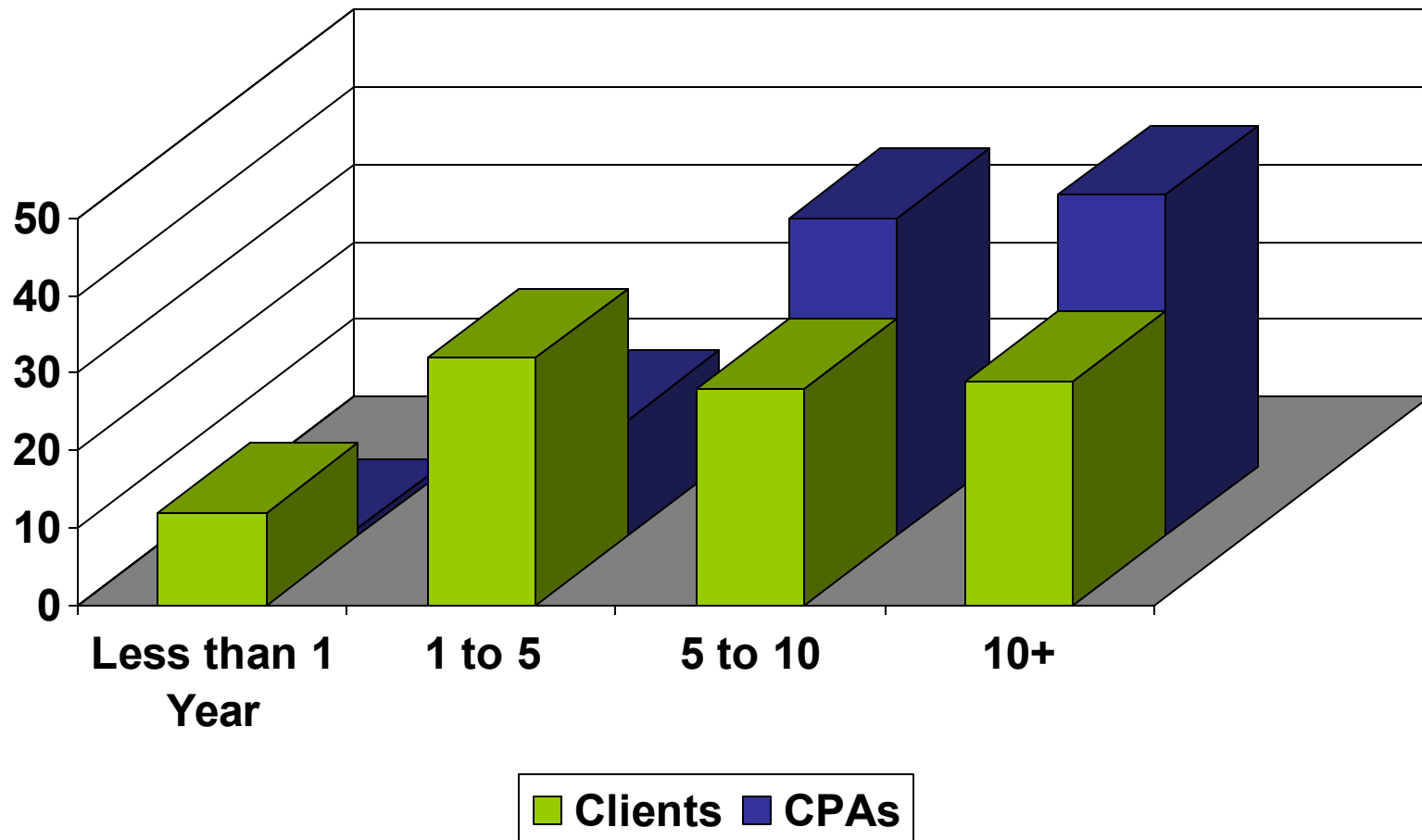


Source: Wellesley Hills Group as appeared in CPA Trendlines, posted January 11, 2009

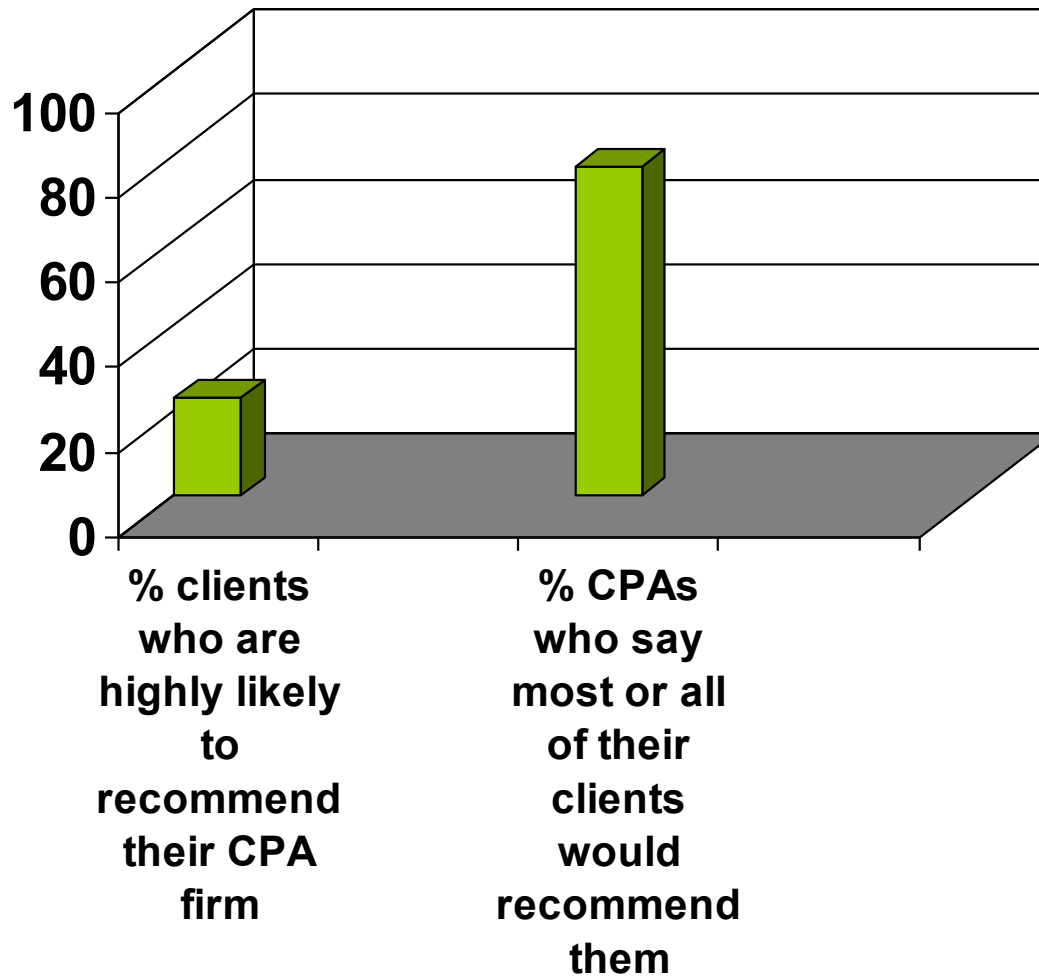


What Clients Really Think

CLIENTS: How long has your CPA firm worked for you?
CPAs: How long have you worked with your clients?



The Recommendation Gap



Why Clients Change CPA Firms

Client Responses			
Poor client service, inattentiveness	70%		
Price, fees, costs, budgets	63%		
They might not be proactive enough	35%		
Bad personal chemistry	34%		
Not getting enough time with CPA firm's best people	26%		
Need new or different services	23%		

Why Clients Change CPA Firms

Client Responses		CPA Responses	
Poor client service, inattentiveness	70%	Price, fees, costs, budgets	63%
Price, fees, costs, budgets	63%	They die, sell or go out of business	55%
They might not be proactive enough	35%	Poor client service, inattentiveness	22%
Bad personal chemistry	34%	Bad personal chemistry	19%
Not getting enough time with CPA firm's best people	26%	Need new or different services	17%
Need new or different services	23%	We fire them for business reasons	16%

~~Reactive~~

Proactive!

Might not be proactive enough: Clients, 40% - CPAs, 15%

**Leaders are nearly
— as likely to have
clients that belong
to the *firm*, not to
an individual.**



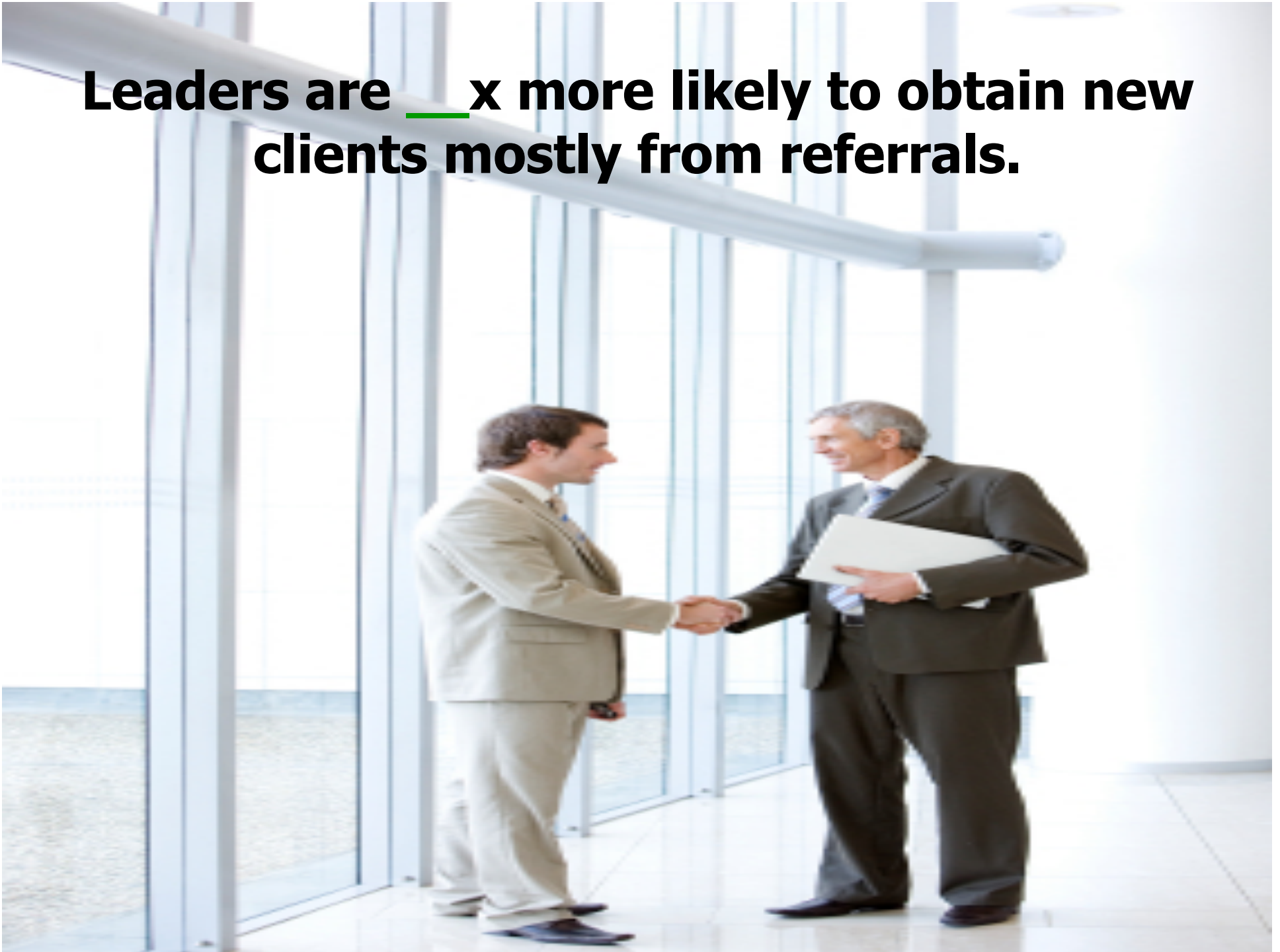


**Leaders are 3 x more likely to
empower every staffer to do what it
takes to satisfy a client.**



Leaders are 3x more likely to have a formal program to monitor satisfaction.

Leaders are 3 x more likely to obtain new clients mostly from referrals.



**Leaders are x more likely
to have clients that don't
resist fee increases.**




The background of the slide is a close-up photograph of a grey puzzle. One piece in the upper left is red, and a piece in the lower right is missing, revealing a solid red surface underneath. The text is centered over the puzzle.

Key Elements of Client Satisfaction Program

Key #5. Creating a Great Place to Work: Attract and Retain the Best Talent





**Leaders are x
more likely to offer
mentoring and
coaching.**



**Leaders are
__x more
likely to
reward people
for new
business
development.**



Leaders are x as likely to support a healthy work-life balance.



Leaders x more likely to conduct performance reviews that are useful.



Leaders are nearly 3x more likely to offer training and opportunities in leadership development.

Leaders are 3x more likely to provide individualized career guidance.



**Leaders are ___x as likely to work as a team,
not as individuals.**





Leaders are more than 3 x likely to have fair and competitive compensation levels.



**Leaders are as
likely to have a
lower turnover
rate than their
competitors.**

Key #6. Building the Learning Organization: How to Be Agile and Adaptable in a Changing World



**Leaders are x
more likely to
conduct training
that supports
their business
strategy.**



**Leaders are nearly
__x more likely to
conduct training
that supports
personal goals.**



**Leaders are x more
likely to provide
training their people
*want.***



**Leaders are nearly x
more likely to conduct
training their people
*need.***



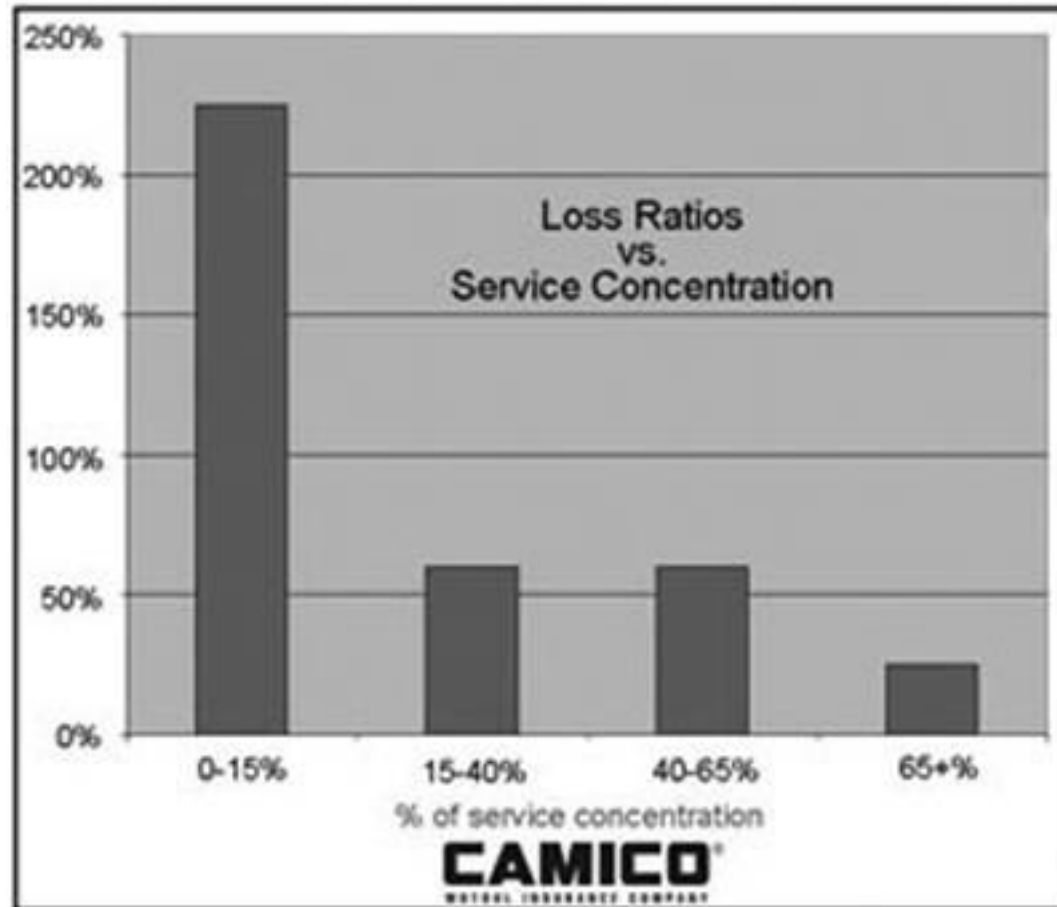
Risk Management



“In today’s world people are taking a clear perspective that making the investment in people pays back multiple fold in the risks that you avoid because people know what they’re doing.”

-- Jon Andrews,
PricewaterhouseCoopers’
London-based human resources
management consultancy

Competency and Risk





Achieving Competency

- Read the professional literature.
- Acquire a designation in a specialization.
- Consult with a practitioner who is current in a specialization.
- Join a CPA society committee on a specialized area.
- Join a specialized association or society.
- Join an association of other CPA firms to facilitate consultations, cross-referrals, and the exchange of expertise and information as part of the learning process.



Achieving Competency

“Competency includes the ability to identify risk stress points in an engagement, which requires a thorough understanding of the client’s business and industry. Take your time and err on the side of caution when venturing into new territory.”

Source: John F. Raspante, CPA, CAMICO Mutual Insurance Company.



Achieving Competency

Resource Tips:

- AICPA Competency Self-Assessment Tool (free to AICPA members and \$49 per year for non-members.)
- AICPA audit quality centers at aicpa.org (Center for Audit Quality, Employee Benefit Plan Audit Quality Center, and Governmental Audit Quality Center)

Really?!

0.8%

ROI

Assuming an increase of five hours of productivity for each hour of training, 40 hours of training, on average, will create 200 additional billable hours. At a billing rate of \$100 per hour, that amounts to \$20,000.



Key #7. Strategy Execution:

Bridging the Gap from Planning to Results



A man in a grey suit, white shirt, and blue patterned tie is shown from the waist up, struggling to hold up a massive, dark, textured rock. He is looking up at the rock with a determined but strained expression. The background is a clear blue sky. The rock is positioned diagonally across the frame, with the man's arms reaching up to support it.

Successful execution is more important to business results than market position, innovation or the strategy itself.

– Ernst & Young

Execution is
Hard Work

5 Execution Pitfalls



1. Being vague about what you want.
2. Not making a serious commitment.
3. Procrastinating and excuse-making – no time, wrong time, dog ate homework.
4. Unwilling to go through the awkward phase.
5. Not setting up a tracking and reminder system.

Change Happens When...

- ...Goals are precise
- ...Everyone sees the same future
- ...You expect the unexpected problem
- ...Don't ignore the fear, ambivalence, resistance
- ...You don't wait for "the right time"
- ...Change has happened before
- ...Failure can happen





Top 12 Ways to Make Plans Work

1. Make it non-negotiable.
2. Plan for the usual excuses.
3. Make it actionable.
4. Be accountable.
5. Make a budget.
6. Set deadlines.
7. Put it on the schedule.
8. Do something every day/week/month.
9. Monitor progress regularly.
10. Celebrate successes.
11. Re-assess strategy.
12. Repeat.

Eight “Know-How’ s” for Successful Execution



Prof. Ram Charan

1. Can you position your business by finding the central idea that meets customer demands and makes money? And, as will increasingly be required, can you appropriately reposition it?
2. Are you able to pinpoint external change by detecting patterns ahead of others and put your business on the offensive?
3. Do you know how to lead the social system of your business by getting the right people together with the right behaviors to make better, faster decisions and achieve business results?
4. Can you judge people by finding their best talents based on facts and observations and matching them with a job?

Eight “Know-How’ s” for Successful Execution



Prof. Ram Charan

5. Are you molding a team by getting highly competent leaders to submerge their egos and coordinate seamlessly?
6. Do you know how to develop goals by balancing what the business can become with what it can realistically achieve, not merely looking in the rear-view mirror and making incremental adjustments to what’s been done before?
7. Can you set laser-sharp priorities by defining the specific tasks that align resources, actions, and energy to accomplish the goals?
8. Can you deal with forces beyond the market by creatively and positively responding to societal pressures you don’t control but that significantly impact your business?



**Leaders are x more
likely to hold individuals
accountable for results.**

Leaders are x as likely to have specific and measurable business goals.



Leaders are 3 x more likely to articulate how they are better than their competition.





Leaders are 15x more likely to meet regularly to check progress against their plan.

Leaders are 4x more likely to develop business plans with input from everyone.



Putting the SevenKeys Together

1. Leadership and Management
2. Technology Trends
3. Marketing and Business Development
4. Client Service and Satisfaction
5. Creating a Great Place to Work
6. Building the Learning Organization
7. Strategy Execution

Put the SevenKeys to Work for Your Team

- Benchmarking Assessment
 - Compare your firm to the SevenKeys CPA Leaders
- Facilitation
 - Partner Retreats
 - Optimize Team Performance
- Training
- Speaking



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Special Guest: David Weinhaus, Social Media Expert

July 25 – Protect Your Clients from Competitors: Client Service, Satisfaction & Retention

August 21– How to Profit from Innovation: Building the Agile Learning Organization

Special Guest: Tom Hood, CEO, Maryland Association of CPAs

September 26 - Technology Trends: How to Work Better, Faster, Smarter, Cheaper

Special Guest: Roman Kepczyk, Director of Consulting, XCentric

October 24 – Creating a Great Place to Work

Special Guests: Best Accounting Firms to Work winners

November 14 – The Accountable Partnership: Leadership, Strategy & Execution

Guest Speaker: Mark Koziel, Vice President – Firm Services & Global Alliances, AICPA



The SevenKeys to Successful CPA Firm Management

How to unlock the value inside your firm and position it for the future



By Rick Telberg and Jean Marie Caragher

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