



STEVE ERICKSON

CERTIFIED PUBLIC ACCOUNTANT

NATIONAL CONSULTANT TO CPA FIRMS



Steve Erickson is a nationally recognized consultant to accounting firms. **He specializes in resolving the partner and people issues that limit the success of professional service firms.** Steve's hands-on and results-oriented approach helps firms to identify, establish and achieve their goals.

Coaching and mentoring managing partners, other partners, and firm staff members to achieve organizational goals through personal development is Steve's passion. Through his programs, he guides the development of leadership among firm members to build strong firm profitability and long-term value.

Steve is a masterful presenter and gifted teacher—one of a handful of CPAs who belong to the National Speakers Association. He speaks frequently at national, international, and state professional conferences, and in 2004, 2005 and 2006 he has been listed as one of the most recommended consultants in the United States by Inside Public Accounting.

In addition, he has written extensively for professional publications and is frequently quoted in national news and professional periodicals, most recently The Journal of Accountancy, The Practical Accountant, Accounting Today, Inside Public Accounting, Bowman's Accounting Report, Partner Advantage Advisory, WebCPA and AccountingWEB as well as many newspapers nationally.

Steve is a member of the Professional Coaches and Mentors Association, the International Association of Facilitators, the AICPA and NMSCPA.

A former managing partner of a large accounting firm, Steve knows how to work with firms to achieve long-term results. He has over 30 years experience dealing with the challenges facing public accounting firms.

Services:

- ◆ Retreat facilitation
- ◆ Compensation systems
- ◆ Succession planning
- ◆ Dispute resolution
- ◆ Profit improvement
- ◆ Post M&A integration
- ◆ Partner/professional development training

505-331-9100

46 Mill Road NW Albuquerque, NM 87120


Steve@SteveEricksonCPA.com www.SteveEricksonCPA.com

***TIAG Fall Conference
October 18, 2007***


***10 Ideas that Really Work
to Recruit and Retain Staff***

TIAG Fall Conference
October 18, 2007

Steven T. Erickson, CPA
National Consultant to CPA Firms
505-331-9100


 **STEVE ERICKSON**
OWNER/CEO & CO-FOUNDER
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

***Accounting Firm Staff
Opinion Survey***

 **STEVE ERICKSON**
OWNER/CEO & CO-FOUNDER
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

2006 Staff Survey

- ***Conducted from August 2006
through December 2006***
- ***Non-owner CPA firm staff***
 - ***1421 responses***
 - ***30+ states***
 - ***200+ firms***

 **STEVE ERICKSON**
OWNER/CEO & CO-FOUNDER
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Methodology

- **Well-being and work**
 - *Personal control*
 - *Use of skills*
 - *Reasonable workload*
 - *Variety of work*
 - *Defined roles and culture*

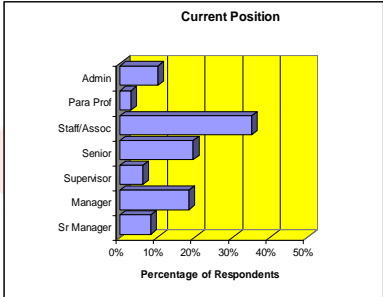

STEVE ERICKSON
OWNER/CEO & CO-FOUNDER
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Methodology


- **Well-being and work**
 - *Money*
 - *Physical security*
 - *Supportive supervision*
 - *Interpersonal contact*
 - *Valued work*


STEVE ERICKSON
OWNER/CEO & CO-FOUNDER
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

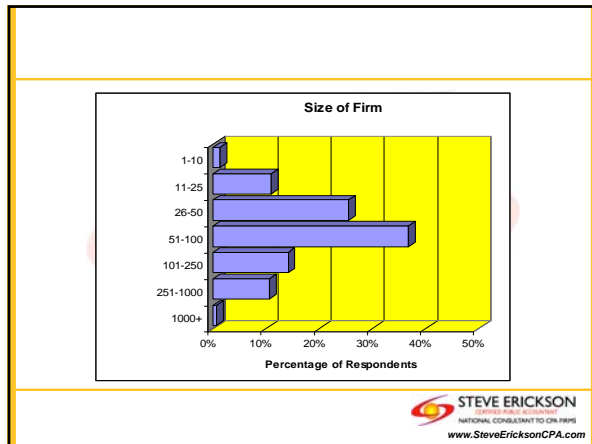
Current Position



Current Position	Percentage of Respondents
Admin	10%
Para Prof	5%
Staff/Assoc	40%
Senior	25%
Supervisor	10%
Manager	20%
Sr Manager	10%


STEVE ERICKSON
OWNER/CEO & CO-FOUNDER
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

TIAG Fall Conference **October 18, 2007**



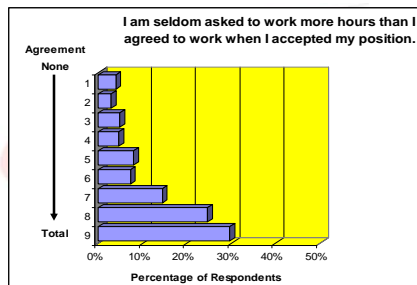




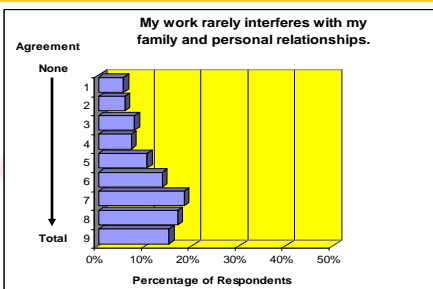
Service Delivery Model

- **"Emergency room service"**
 - Shortage of people
 - Multiple demands
 - Reactionary client service
 - Some clients get excellent service
 - Some clients don't

STEVE ERICKSON
OWNER/CEO, ACCOUNTING
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com



STEVE ERICKSON
OWNER/CEO, ACCOUNTING
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

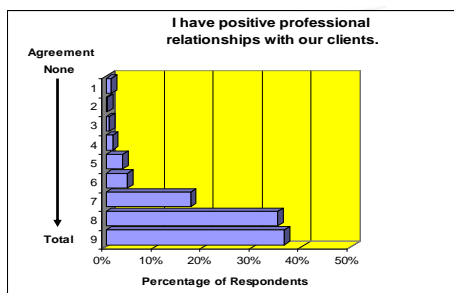


STEVE ERICKSON
OWNER/CEO, ACCOUNTING
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

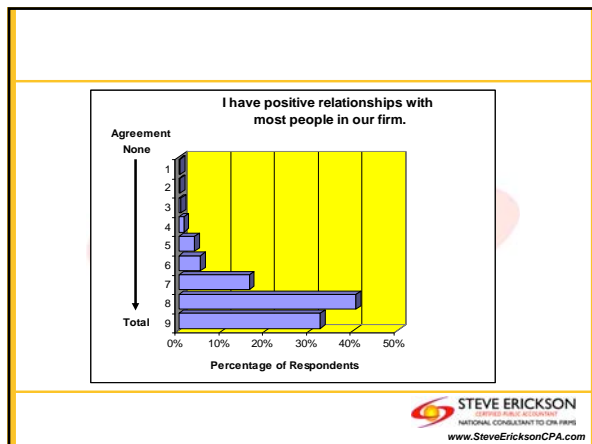
***#2 Many employees don't
see themselves being
successful in public
accounting***

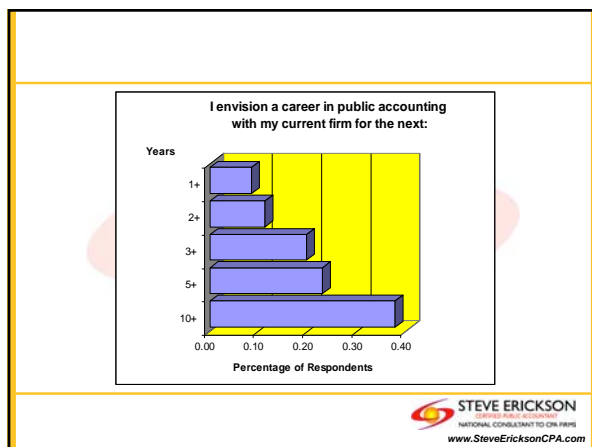
Key Finding

- ***85% of Respondents rated their relationships with clients and fellow workers at least a 7 out of 9 possible***
- ***40% of the respondents do not plan to stay with their firms for more than 3 to 5 years***



TIAG Fall Conference October 18, 2007





Why is this the case?

- Well-being and perceived control
 - ✓ Work
 - ✓ Successful accomplishment of tasks
 - ✓ Time invested
 - ✓ Personal
 - ✓ Spouse
 - ✓ Kids
 - ✓ House
 - ✓ Yard
 - ✓ Social life
 - ✓ A better life

STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Involuntary Overtime

- **Management Issue**
 - *Over committing resources*
 - *Reactive client service*
 - *Inconsiderate of staff*



Involuntary Overtime

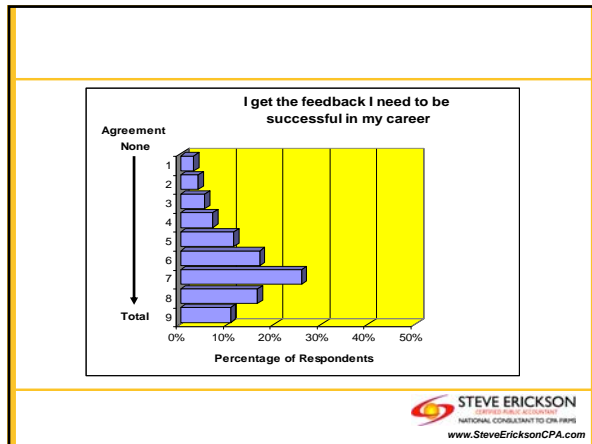
- **Employees**
 - *Lack of control*
 - ✓ *Unable to follow through on personal plans*
 - ✓ *Negative impact on relationships*
 - ✓ *Contributes significantly to turnover*



***#3 Employees aren't
getting timely feedback***

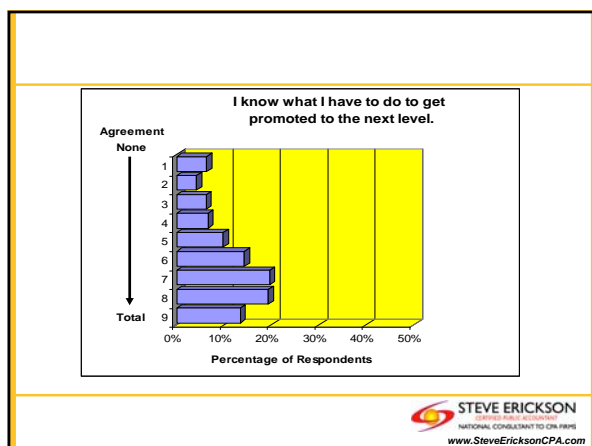


TIAG Fall Conference October 18, 2007



#4 Employees are confused about their career path

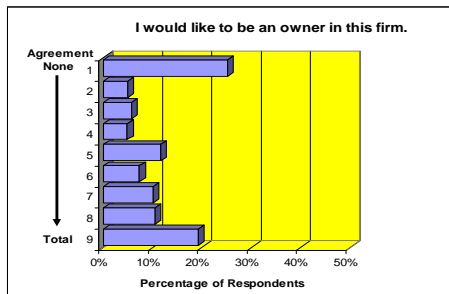
STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com



TIAG Fall Conference October 18, 2007

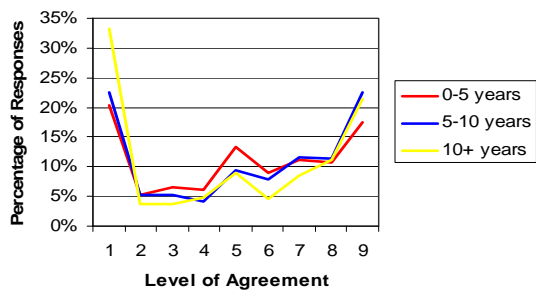
**#5 Many of your employees
never ever, never want to be
owners**

STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com



STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

I would like to be an owner in this firm.

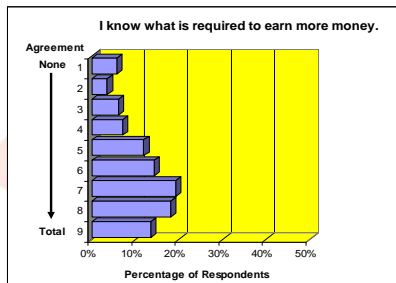


STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

TIAG Fall Conference October 18, 2007

**#6 Respondents were
confused about their
compensation**

STEVE ERICKSON
CHARTERED ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com



STEVE ERICKSON
CHARTERED ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Cost Structures

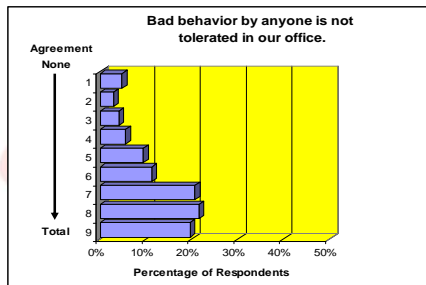
- **Present cost-plus strategy is not sustainable long-term**
 - **Margins are eroding**
 - **Lower utilization**
 - **Very competitive**
 - **Less loyalty**
- **Value of our services has not increased as much as the cost of labor**

STEVE ERICKSON
CHARTERED ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

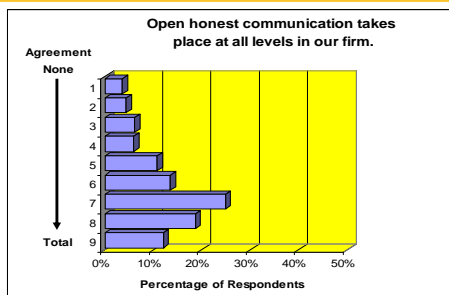
TIAG Fall Conference October 18, 2007

**#7 The culture of many firms
is not viewed as positive**

STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com



STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com



STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

TIAG Fall Conference **October 18, 2007**

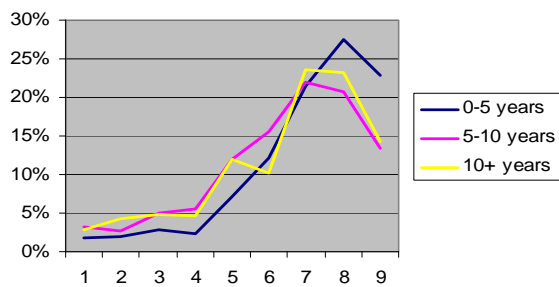
#8 Confidence in firm leadership erodes over time

STEVE ERICKSON
CHARACTER & ACCOUNTING
 NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com



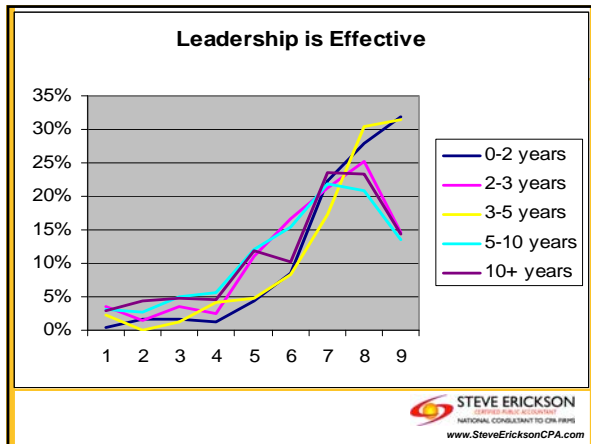
STEVE ERICKSON
CHARACTER & ACCOUNTING
 NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Leadership is Effective in Our Firm



STEVE ERICKSON
CHARACTER & ACCOUNTING
 NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

TIAG Fall Conference October 18, 2007



Summary

- *In general people like the work, the people in their firms and their clients*

STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Findings

- *Many staff members don't experience enough feelings of success in public accounting*
 - *How to get promoted*
 - *How to make more money*
 - *How to make a career in public accounting work with other things they want to do*

STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

**10 Ideas that Really
Work to Recruit and
Retain Staff**



STEVE ERICKSON
SERVICES LLC, A COMPANY
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

CPA Staffing Dynamics

- **#1 MAP issue**
 - Critical shortages
 - Value of labor > value of work
- **Demographics**
 - Rapidly changing workforce
 - Different values and needs
- **Firm evolution**
 - Technology
 - Reengineering



STEVE ERICKSON
SERVICES LLC, A COMPANY
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

**#1 Get focused and increase
your efforts**



STEVE ERICKSON
SERVICES LLC, A COMPANY
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Focus & Efforts

- ***Currently***
 - *Only a few are responsible*
 - *Efforts are haphazard*
 - ✓ *Lag behind need*
 - ✓ *Many false starts*
 - *Confused message*



Increase Focus & Efforts

- ***Needed***
 - *Partner participation*
 - *Employee participation*
 - *Year round process*
 - *Consistent message*
 - *Eliminate negative talk*



Avoid these classic lines

- *We tried that once . . .*
- *We can't find them . . .*
- *We can't compete with . . .*
- *My/the partners won't . . .*
- *That's just how it is . . .*
- *That's just soft stuff . . .*
- *They don't have . . .*
- *This generation . . .*



Employee Referral Network

- ***Letter campaign***
- ***A contact every day***
- ***Write and speak***
- ***Make referrals***
- ***Never burn a bridge***
- ***"Accountants' accountant"***
- ***Marketplace visibility***

 **STEVE ERICKSON**
CERTIFIED PUBLIC ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

***#2 Hire "Right" rather than
"Right Now"***

 **STEVE ERICKSON**
CERTIFIED PUBLIC ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

***"Leadership is a
Quality--not a
Position."***

 **STEVE ERICKSON**
CERTIFIED PUBLIC ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

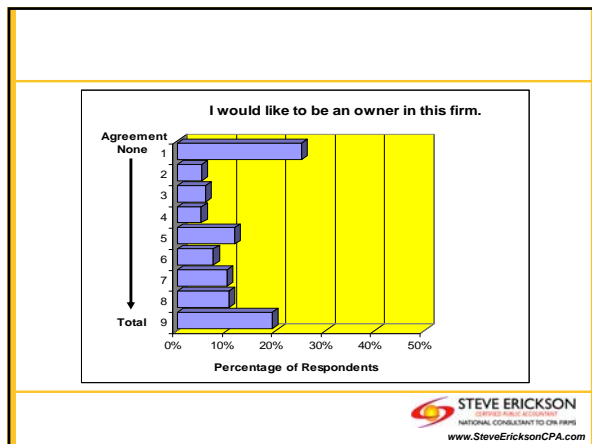
- *In my opinion better leadership skills are needed at all levels to include in-charge and management level positions!*

Consider

- *Hire people with*
 - *Great attitude*
 - *High emotional IQ*
 - *Intelligence and aptitude*
- *Avoid*
 - *People that can't get along*
 - *Won't conform to your culture*
 - *Non-team players*
 - *Huge egos*

3. Establish dual career paths

TIAG Fall Conference October 18, 2007



Refine Processes

- **Separate the back office**
 - Technical, process driven
 - Teams
- **Leverage client contacts**
 - Relationship managers & partners
- **Dual career paths**

STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

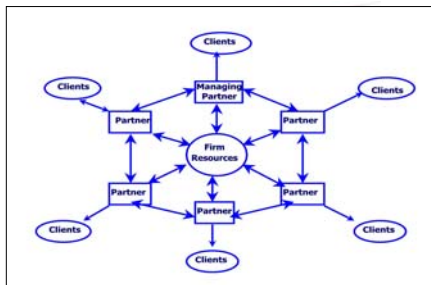
Strategic Hiring

- **Core**
 - Mission critical
 - Leadership positions
 - Key technical specialties
 - Relationship
- **Non-core**
 - Not mission critical
 - Task oriented
 - Technical

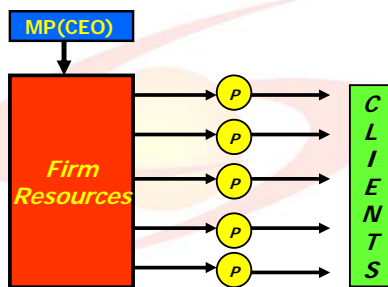
STEVE ERICKSON
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

**#4 Reduce internal competition
for resources**

Firm Organization



Firm Governance



#5 Schedule, schedule, schedule



Scheduling

- **Resource management**
 - *Shortage of people*
 - *Multiple demands*
 - *Reactionary client service*
- **Lessen the chaos**
 - *Time sensitive engagement letters*
 - *Manage client expectations*
 - *Maintain schedule integrity*



Client Service Teams

- **Several client servers**
- **Improved client coverage**
- **Cross training**
- **Skill development**
- **Easier transition**
- **Institutionalize value**



TIAG Fall Conference October 18, 2007

Make $\frac{1}{2} + \frac{1}{2} > 1$

- **Take advantage part-time partners and part-time employees**
 - **Build client service teams**
 - ✓ 2 or more part-time people
 - ✓ Shared client responsibility
 - ✓ Increased charge hours
 - ✓ Less administration
 - ✓ Non-equity positions?



#6 Work on "good" clients



Client Decisions

- **Strategic to attract and retain staff**
 - "Good work"
 - ✓ Profitable
 - ✓ Interesting
 - ✓ Valuable to the client
 - "Bad work"
 - ✓ Not profitable
 - ✓ Messy and boring
 - ✓ Commodity compliance work



Clients

- ***Relationship***
- ***Growing and profitable***
- ***Reasonable risk***
- ***Valuable to the firm***
 - *Off season*
 - *Experience and training*
 - *Critical mass*



#7 Define success for everyone in the firm



Define Success

- ***What is it?***
- ***How do I get it?***
- ***How will I be measured?***
- ***Will you let me know how I'm doing?***
- ***What's next?***



Success Based Culture

- ***Allow for individual success***
 - *Job budgets*
 - *Work assignments*
 - *"Think" time*
 - *Volunteers*

#8 Reward performance not intentions

Trust-Benefit Cycle

Intentions
↓
Conversations
↓
Action
↓
Mutual Benefit

Firm Success

- **Strategic plan**
 - *Written*
 - *Communicated*
- **"Go public"**
 - *Where are we going*
 - *How we will get there*
 - *What we will accomplish*



Individual Success

- **Aligned with firm plan**
- **Individual benefit**
 - ✓ *Valued work*
 - ✓ *Compensation & benefits*
 - ✓ *Knowledge*



Offer Opportunity

- **Career**
- **Stability**
- **Meaningful relationships**
- **A consistently better life**



Career Coaching


Build Intellectual Capital

- ***Create an environment that enhances motivating behavior***
- ***Performance cycle***
 - ***Goals***
 - ***Coaching***
 - ***Timely feedback***
 - ***Evaluation***

**STEVE ERICKSON**
CERTIFIED PUBLIC ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Understanding Motivation

- ***Abraham Maslow***
- ***Theory of Motivation and Behavior***
 - ***Expressive behavior***
 - ***Coping behavior***

**STEVE ERICKSON**
CERTIFIED PUBLIC ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

#9 Talk about the money

**STEVE ERICKSON**
CERTIFIED PUBLIC ACCOUNTANT
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Compensation

- **Discuss**
 - *How their compensation is computed*
 - *Performance expectations for their position*
 - *How more money can be earned*
- **Target profit plans for partners**

Compensation

- **Caution**
 - ✓ *Don't use measures the employee can't control (i.e. realization)*
 - ✓ *Use budgeted vs. actual hours for assigned tasks*

#10 Risk to be different

Be Different

- Differentiate

- People
- Clients
- Infrastructure
- Culture

 STEVE ERICKSON
SERVICES LLC, A COMPANY
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

Your Firm Culture

Good or Bad

Your employees will spread the word.

 STEVE ERICKSON
SERVICES LLC, A COMPANY
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com

- It's not about work-life balance it's about:

- *Work-life success* SM

 STEVE ERICKSON
SERVICES LLC, A COMPANY
NATIONAL CONSULTANT TO CPA FIRMS
www.SteveEricksonCPA.com