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CPA PRACTICE MANAGEMENT FORUM

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From the Editors

Amazingly, another year has nearly passed. Planning for the holiday season goes hand-in-hand with planning for another tax season, and—perhaps more importantly—for instituting a business succession plan. Recent statistics concerning succession are pretty startling: in one survey, only about 25% of firms have a succession plan in place while, according to the AICPA, about two-thirds of members will reach retirement age in the next 15 years.

There are many reasons for the “fear of succession planning.” For one thing, as people are living longer, the culture is changing, and “retiring” at age 65 (or even 70) is not as attractive as it once was: What is an active partner to do for the next 20 or so years? For another thing, it is difficult for many of those who have started successful firms to think about the scenario someone else managing the business they’ve nurtured over the years, or the potential loss of their firm name if the succession strategy is a merger.

Consequently, the decisions that need to be made—all of which require a great deal of strategic thought—can be very emotional: Should the firm continue under a new managing partner, or is a merger the best way to proceed? What will happen to the partners and staff if there is a merger? How do I select a successor? What if there are two partners who could fill the role of managing partner—can the firm transition to a co-managing partner structure, and how will that work?

Emotions are raw, and deep feelings about yourself and the firm need to be faced: Will the firm continue to be successful under the new person? How will others in the firm react to the change? What about the clients? Even if the changes are positive, how will I feel once they take place?

In the past, former managing partners simply faded into the sunset. Today, though, former managing partners may continue to have a role in the firm, and the issue becomes one of structuring that role. Firms are creating new positions such as “senior partner” and “senior advisor” to accommodate these partners. While they no longer have administrative responsibility, former managing partners can still play a vital role in the firm’s success.

There are other considerations, too. For instance, does there need to be a written succession plan, or is it enough to document incremental goals as they are achieved?

Here is a cautionary tale. We know of one business—not an accounting practice—where an heir-apparent was brought in rather abruptly. The person did not have the



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right personality for the company culture and, after a lot of angst, the exercise failed at about the two-year mark. Ultimately, the company decided that a merger was their best alternative. The company successfully merged into a larger company. The moral of the story: the best way to approach succession is as a process like any other big change the firm is considering, such as expansion into a new niche or opening an office in another location. The change needs to be introduced, discussed, the costs and benefits analyzed and the buy-in of others in the firm cultivated before any tangible steps are taken. Sometimes, an outside perspective is needed, and a consultant needs to be brought in to help facilitate the change.

Succession is arguably the biggest change your firm will ever experience, and there is much to consider. Still, this is a good time to make strategic business succession planning one of your New Year's resolutions.

This month's issue of CPA PRACTICE MANAGEMENT FORUM features articles on a number of different topics. **Larry Feld**, of the **Hunter Group**

CPA LLC, writes about the important role employee meetings can play in increasing firm morale. **Dean Sengstock**, of **Firm Foundation**, discusses the particular challenges facing smaller accounting firms. **Richard A. Berkowitz**, managing partner of **Berkowitz Dick Pollack & Brant Certified Public Accountants & Consultants, LLP**, offers an interesting discussion about how he initiated a two-tier internship program to bolster the firm's recruitment efforts.

Seeking "best firm" designations is the topic of an article by **Ann Callister**, Director of Marketing at **Clark Nuber P.S.** In his article, **John Heveron, Jr., Heveron and Heveron, CPAs, P.C.**, focuses on the use of technology as a recruitment tool. **Mitchell Reno** and **Ricardo Resio** of The Rehmann Group provide very insightful suggestions how professional service firms can establish a brand from the inside-out the same way retail giants do to gain recognition in their marketplaces. Finally, "Can Alumni Associations Be Helpful to Mid-Sized Firms?" is the subject of *the Marketers' Corner* by **Sally Glick** of **Sobel & Co.**



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Accounting Firm Associations: Helping Smaller Firms to Unlock Their Value

By Dean Sengstock

CPAs today are dealing with issues and problems they have not had to consider in the past. Attracting and retaining quality people are key concerns. Technology is changing the way we conduct audits, process tax returns, communicate with our clients and people, internally manage our practice...all at a whirlwind pace and tremendous cost.

At the same time, clients are demanding additional services and a more in-depth, "trusted advisor" relationship with their CPA, and they want to be confident that their accounting firm can handle their growth. Clients are looking to their CPA firm to fill the role of professional advisor. They want their CPA to provide practical solutions to help them with financial reporting, tax planning and compliance, and general business consulting. Partners often find themselves focused on helping solve their clients' critical financial and general business issues to help them unlock the value of their business.

At the same time, partners are pressured to deal with similar business issues within their

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Getting the Most From Employee Meetings

By Larry Feld

How well does your firm communicate with its employees? Time constraints on today's professional firms—particularly smaller firms without a dedicated human resources person—sometimes leave important communications to rely upon dissemination *via* grapevine.

- Is someone getting promoted? *Let the grapevine handle it.*
- Will a lackluster employee be let go? *Darwin will thin the herd.*
- Are we doing well? Just ok? *Is my career safe?*

Without consistent reality checks from the partners, employees will quickly fill in the information gaps...usually with worst-case scenarios.

While some owners are comfortable with trickle-down methods of communication, a more direct and predictive approach delivers consistent results with fewer chances for intentions to be misunderstood or improperly interpreted. For this reason, firm meetings have a critically important role in the CPA firm. One well-planned team meeting can correct hundreds of incorrect actions initiated by your well-meaning, but ill-informed, subordinates.

Regardless of firm size, company-wide meetings deliver news—both good and bad—swiftly, in three dimensions and in a manner that addresses all learning styles. The visual thinkers will see the boss enthusiastically rambling about the future and will greatly appreciate pretty PowerPoint graphics. The kinesthetic learners will become totally absorbed by the 50-page handout, while the auditory learners will be comforted by your leader's firm tone of voice. Try and achieve *that* with an e-mail!

Some partners may balk at firm-wide meetings, stressing over the expense, or thinking that meetings dilute firm productivity or simply are useless fluff. This type of closed mindset is indicative of a management style that fosters a poisoned culture. For certain, firm-wide meetings can be elaborate extravaganzas, lavish parties or offsite retreat-like events. However, short, frugal and straight-forward briefings can be just as effective. What determines budget is often a matter of choice and desired outcomes.

Why have a meeting?

Firm-wide meetings are appropriate when you have significant changes or events that can potentially re-shape the organization, or when enough time has passed since the team has assembled as one group.

Here are some of the common issues addressed at firm-wide meetings:

- State of the firm—status of firm health and reaffirm goals
- Introduce new people
- Introduce new products and services
- Announce mergers, introduce new merged players
- Unveil new branding initiatives—and reinforce the firm's mission
- Celebrate milestones
- Best wishes send-offs to retiring employees
- Congratulate newly promoted, and those who achieve licenses
- Discuss downsizing or restructuring, or other sensitive matters
- Celebrate significant achievements and unusual firm growth
- Bring together people who don't always have a chance to share ideas
- Discuss new regulations, laws or policies that require compliance
- Remind the firm that people are important[®]

Making the most of the event.

First and foremost, develop goals and desired outcomes for the event. With these critical elements resolved, measuring your success becomes simpler. And, your plan provides a roadmap for your meeting support team. Establishing a budget is another essential. Clear goals and financial limits will quickly transform a rough idea into an action plan that will not get derailed.

Scripting and role assignments should also be carefully orchestrated. Leveraging key employees to deliver presentations can

be more effective than “the boss” reading from a long laundry list. For example, use a young audit staffer instead of a partner to describe how the firm wrapped up the audit process this year on an important new client. Or, bring back a revered retired partner to announce a new managing partner, transferring goodwill in a way that no other could hope to achieve. Need to mitigate bad news? Remember that people hate change, so your meeting, if it is addressing change, should be well-scripted to ensure your message does not leave people completely uncomfortable. Sometimes, the best way to introduce bad news is in a direct and somber manner, without fanfare.

Celebrating creativity

There is no doubt that we have become jaded. It takes a great deal to “wow” fellow employees. A firm-wide meeting is an excellent opportunity to do just that, but it requires an injection of creativity that is not always found in the daily activities of an accounting firm. However, showing creativity encourages firm loyalty and lifts employees above the daily grind. And if you don't think that CPA firms can behave creatively, think again.

Using a fun theme to make a point. Jennine Klosterman, Marketing Coordinator, and Amy Larson, Event Planner, at the Minneapolis firm KDV (Kern, Dewenter, Viere, LTD), together planned an annual meeting/picnic this summer that was anything but boring. Celebrating a year of healthy growth, it was important for the Managing Partner Loren Viere to deliver his message with a bit of flair.

“We went with the country-western theme, so everyone received a red bandana with their invitation, which was done in a country-western looking layout,” says Jennine, adding that, “to encourage unity, everyone was encouraged to wear country-western type of clothing, along with their bandana—and thankfully, most people did.”

“Our CEO gave his opening remarks dressed up as the Lone Ranger, with two people dressed up as his horse,” notes Jennine, who gives her boss credit for delivering a hilarious presentation. “Of course, our two horse volunteers had to endure several lighthearted jokes about who had the back half of the costume.”

In step with the overall theme, new employees were introduced as the new “Buckaroos,” while those with the firm in five-year increments were recognized. (*i.e.*, 10 years, 15 years, *etc.*)

In addition, each practice group created brief skits featuring accomplishments from last year, along with their strategic plan for the upcoming year. One group used the cowboy theme by opening their presentation with the song from Bonanza. Another group performed their skit in a saloon-type setting. Another group used a *Who Wants to be a Millionaire*-type of format. “We found that involving others, beyond the practice group leader, in these presentations was important. It seemed to provide them ownership in their achievements and future goals.”

To keep up with the country-western theme, employees waved their bandanas in the air after each of the presentations were made, and shouted “YEE-HA!”

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Firm Associations

Continued from page 5

own firms. Often times, the very same skill sets we develop working with our clients can give us the ability to handle these issues when they arise within our own practices. But what does this mean? Larger accounting firms generally turn to their office administrator, human resource director, director of technology or marketing department to help them effectively deal with these issues. But for smaller accounting firms, or firms with between 10 and 30 employees, these issues can be even more challenging, as these resources are not generally part of their organization. As a result, partners within smaller firms must often play the role of human resource director, marketing director, or perhaps, technology expert. These additional activities often cause partners to feel that their practice is managing them, rather than them managing their practice.

So, where can smaller firms turn to get the help they need to solve these issues?

Recently, we performed a research study of accounting firms between 10 and 30 employees to learn what kinds of issues they expect to be facing in the next 12 months. The results (Figure 1) showed us that there are a number of general business issues that are keeping partners awake at night: issues like recruiting and retention, growth, efficiency, technology, dealing with technical tax and accounting issues, succession planning and training.

That's a heavy load for partners to carry!

Where can smaller firms go to help unlock the value of their firm?

There are numerous associations available to CPA firms, which provide access to a deeper pool of resources—resources such as a network of peers to contact, assistance with tech-

nical issues, practice management resources, human resource assistance, technology best practices and so on—that help partners of CPA firms more effectively and efficiently work “on” their business instead of “in” their business.

However, research shows that of the thousands of smaller firms in the United States, less than one-fourth of them belong

Figure 1. Important Issues Firms Will Face in the Next 12 Months

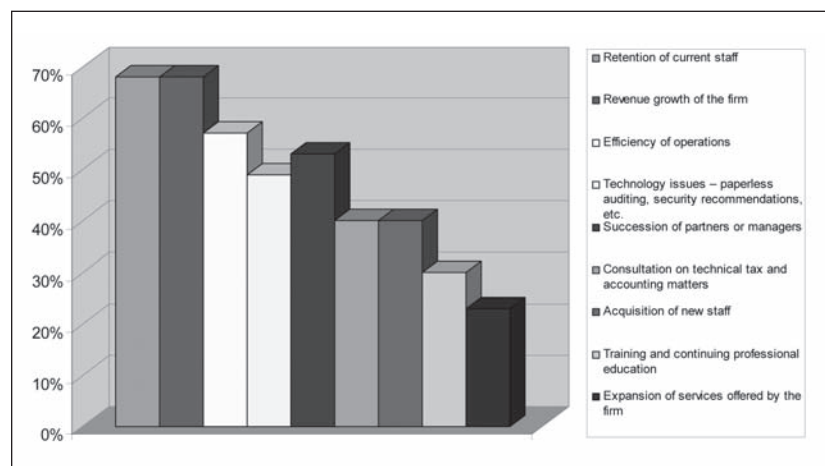


Figure 2. Accounting Firm Association Membership

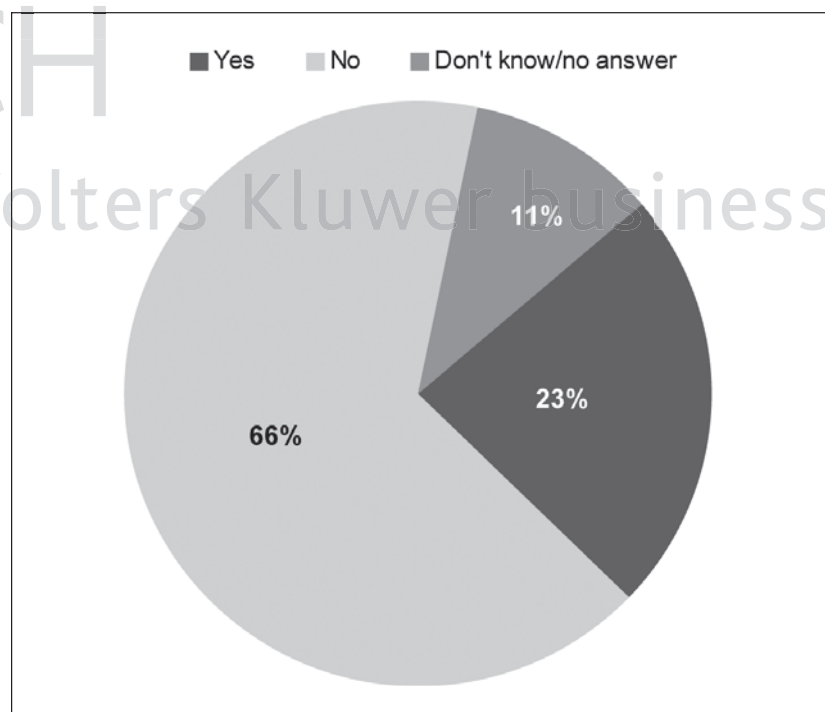
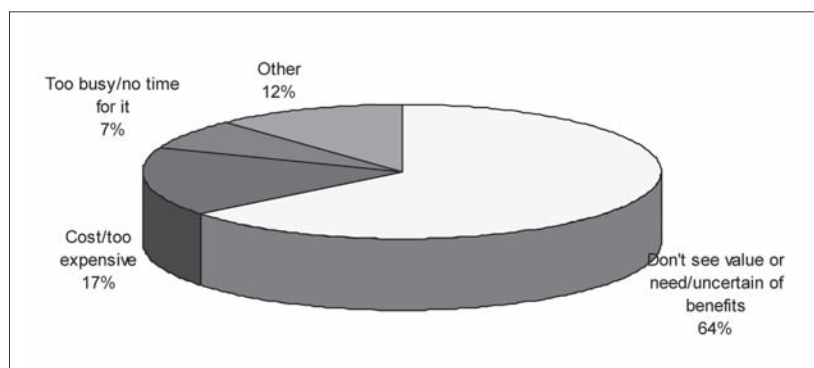


Figure 3. Why Firms Are Not Members of Associations



to some type of association (Figure 2). Why is this so?

Firms stated numerous reasons as to why they don't belong to an association, but three reasons were most prevalent (Figure 3). Almost two-thirds of firms surveyed did not see the value in belonging to an association or were uncertain of the benefits. Other firms felt belonging to an association would be too expensive for their firm, and some felt that they did not have the time to take advantage of what the association had to offer.

What are smaller CPA firms dealing with today and how can an association help?

Here are some things that we have learned through our research study, as well as working with CPA firms, about how membership in an association may help partners resolve these issues.

"We have difficulty recruiting top talent; the competition for these individuals is tough." An association can provide recruiting ideas, defined career paths, staff training, leadership and other development programs.

"We don't have a dedicated HR person and creating in-

frastructure to help us retain our best employees is difficult and time consuming." Associations help members to share best practices in the people area. Some offer performance management systems and employee satisfaction surveys in order to help partners assess the culture and employee environment within their firms. In addition, associations often offer integrated training programs for firms to help improve the quality of their staff members.

"We need to grow our top line." Membership in an association can often provide members access to sales and marketing tools and training to keep firms moving forward when they need to. They also provide networking and referral opportunities.

"We are struggling to increase our profitability and efficiency as industries and regulations become more complex." Many CPA firm association members have stated that, due to their membership, they have increased their efficiency and profitability by decreasing non-billable time that can be better spent serving clients.

"We don't have a succession plan." Firms who belong to

associations can often tap into recruiting and retention best practices that help their firms develop a pipeline of talent to support continued growth and stay ahead of competitors.

"We need help to relieve our clients' concern that they are outgrowing our firm's capabilities." Through membership in an association, smaller firms can gain access to tools, resources and expertise that their clients will readily recognize as part of their CPA firm's commitment and dedication to supporting their growth program—no matter what growth phase they are in.

In reality, associations can be of particular help to smaller CPA firms by helping partners and firms deal with those critical business issues facing our industry today. Associations that are available today have the ability to offer firms and partners a way to more efficiently and effectively handle those business challenges they face today. If you find your firm is dealing with many of these same issues, consider looking into an association. For less than the cost of one professional, you can get access to marketing, human resources, technology and technical resources that can help your firm tackle these issues head-on, allowing you to unlock the value of your firm. +

About the author: Dean Sengstock is Director of Firm Foundation, an association for CPA firms with 10-30 employees. For more information, contact Dean at dean.sengstock@rsmi.com.

Unique Internship Program Turns Students Into Raving Fans

By Richard A. Berkowitz

What to do to attract young staffers?

Given the profession's talent shortage and the demand for new CPAs, recruitment remains a red-hot issue. How can a firm hope to attract the best qualified candidates? Our firm, Berkowitz Dick Pollack & Brant Certified Public Accountants & Consultants, LLP (BDPB), considers itself in the vanguard of new types of recruiting and retention programs, so we scheduled a meeting to discuss what we would do next. We knew that in today's competitive job market, internship programs can be win-win situations for both employers and students. We also knew that not all internship programs are equal, so we needed to structure a program that would create a positive buzz about our firm and allow students at local colleges to get to know our firm through the eyes of their peers.

The group that met included the firm's Managing Director and a cross-section of the firm's management team. We talked about a number of possible programs and ultimately decided that a six-week summer internship that would focus on rising sophomore and junior accounting students, who had not yet decided on an area of specialization, just might work. Our summer interns would be given the opportunity to work briefly in

each practice area and meet all of our professionals. We also decided that the summer internship program would be in addition to our "traditional" internship program, which targets college seniors and exposes them to an intensive three-month assignment in tax, assurance/audit or forensics.

Our team spent a fair amount of time assessing what we wanted our new internship program, which we quickly named "the Summer Rotational Internship Program," to look like, and convey, what we wanted it to accomplish. We decided that it would be important to give our interns training in hard, technical skills, exposure to the mentoring nature of our firm culture, access to a professional mentor network and some early training in the so-called soft skills. We determined we would provide hands-on job experience in a variety of areas, training in communication and stress management skills. We also wanted to offer a competitive compensation package and provide them some of our firm's less traditional benefits, such as our company store.

We also wanted to assess the success of the internship; so, at the conclusion of the program, the interns were asked to complete and submit evaluation packets. The questions included "what did you like best" and "what you did like least." We also asked the interns to make suggestions on how to improve the program.

The program

Our program was designed to give our interns a sense of the diversity of assignments available in today's CPA firm environment. Accordingly, our interns transitioned between our tax, assurance/audit and forensic service areas. They also spent a few days in each of our three affiliated companies: Provenance Wealth Advisors® (a wealth management firm offering clients comprehensive planning strategies that incorporate estate planning, business and business succession planning, investment planning, insurance planning and retirement planning), Onsiteadvisors® (a technology consulting firm providing clients hardware and software integration, web and e-business planning, business continuation strategies, financial software solutions and technology planning consulting services) and BayBridge Capital Advisors® (a comprehensive group of companies offering real estate brokerage, commercial mortgage banking, and residential lending services). Each intern had the opportunity to work with clients in several different industries and with professionals who are experts in their field.

Workday Skills. Our interns were exposed to all aspects of a CPA's day, including client interactions, challenging technical projects and departmental administrative projects. From financial data analysis to sup-

Program Highlights

- Acknowledgement that participating interns were highly valued by BDPB.
- Diverse assignments—giving a well-rounded view of the types of assignments a young CPA is likely to get.
- Meetings and interactions with firm leaders—providing a view of the firm culture as a nurturing environment dedicated to personal development and growth.
- BDPB bucks—allowing interns to see that their work is rewarded on an ongoing basis—and providing them with logo items to bring back to campus.
- Fun activities—highlighting the firm's team approach in the workplace and outside of it.
- A chance to be asked back for the firm's traditional internship program.

port claims of economic damages, or preparing several returns for a group of partnerships spread throughout the country, the internship allowed each student to experience a variety of the firm's practice areas.

Firm Culture. We wanted to be sure the Rotational Interns were introduced to more than just the “professional” aspects of the firm. Like all new firm members, they attended a two-day orientation session, where they met the directors of every department, as well as the directors of our three affiliates. In addition, they joined other firm members at one of our quarterly firm meetings, which enhance firm communication and integration. They also had the opportunity to meet and interact with all of the firm directors at regularly scheduled director luncheons, which several found to be a highlight of our program.

They were also invited to join the firm at special firm outings, including Marlins

baseball games. These social activities allowed our interns to bond with other interns and meet our professionals in a fun and relaxing environment. Other social events include a closing reception attended by all firm members, who asked each intern to share an anecdote and a few parting words, such as what they would tell their friends when they returned to school.

Another thing the interns liked was that they were part of BDPB Rewards Program, which recognizes the hard work and dedication of our firm members and provides additional incentives. Like all new firm members, our summer interns were given an initial balance of BDPB bucks and were able to earn more bucks based on their participation in certain events or trainings, recommendation of a new process or procedure, and other activities. Firm members (and interns) use BDPB bucks to purchase items featured in our online BDPB store, such

as logo-shirts and t-shirts, flash drives and gym bags, among other items.

“Soft” Skills. We also introduced our interns to training and leadership development programs, including seminars on the value of networking, business cards and client relations.

The results

We are more than pleased with the results of our first Summer Rotational Internship Program. Our five interns, all accounting majors from three different Florida universities, had high praise for the program. Here are two comments we received during our end-of-internship review process:

“I wish it could have lasted longer,” said Ross, a Kentucky native, who is a student at the University of Miami. “Getting to experience every aspect of the firm was an unbelievable opportunity.”

“This was a once in a life time experience. I learned a great deal about the firm and myself,” said Rachel, a native of Sarasota, and now a junior at the University of Miami. “I’d like to come back next year and intern in Forensics and Business Valuation Services department.”

How was our firm able to please these young students? By delivering a unique program that provided our interns with an outstanding experience that highlighted the firm's professional diversity and competitive advantage and encouraged them to join the firm when they graduate. We wanted to create a program that would help expand awareness of BDPB and its

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Journey to “Best Company”

By Ann Callister

We recently learned that we were one of the “50 Best Small & Medium Companies to Work for in America.” This survey is administered by the Great Place to Work Institute, which conducts the same survey for the large companies, featured in *FOR-TUNE* Magazine, and the Society for Human Resource Management. This was not our first “best company” recognition, nor was it our first award. But a lot of people took notice of this one and wanted to know how we “did it.” “It” really wasn’t something we “did.” “It” was a journey, where a variety of things happened to put us on that list.

In early 2000, our state society, the Washington Society of Certified Public Accountants (WSCPA), was running a competition where people could win free tickets to a two-day conference the WSCPA was sponsoring. The competition was titled “Why Would Anyone Want to Work There?” The catch was that the contest required people to write about why they liked working at their accounting firms. Asking most accountants to write something non-technical, let alone personal, is very difficult. Still, nine people at our firm came through with entries, which were submitted in accordance with the contest guidelines.

The competition due date passed. Weeks went by with no word from the WSCPA. I finally called them and was told that our entry was the only one they had received. “Well,” I said, “I guess that makes us the win-

ners.” “We’ll call you back,” they said. They called back and told us we won. All of our employee entries were published in the WSCPA newsletter, and each entry was read aloud at the conference luncheon as one of our employees accepted a special award on behalf of Clark Nuber. We liked this!

In early 2001, I was on the Web site of *WASHINGTON* CEO magazine looking for a free subscription to the magazine, when I saw it: an announcement for the “Best Companies to Work for in Washington” competition. This was different, as it was more formal (our CEO had to sign our entry form), and I couldn’t orchestrate things (a third party conducted an anonymous employee survey). More than 100 companies and over 12,000 employees participated. Only 50 companies made it as finalists on the list, and only 12 companies, including Clark Nuber, were selected for special recognition by being ranked as one of the top three companies in four different categories.

We all were completely “jazzed,” as evidenced by our CEO, Dave Katri, whose opening words to his acceptance speech were, “Who said public accounting doesn’t rock?” We’ve gone on to win this award a total of four times, including this year, at the same time as the recognition from the Great Place to Work Institute.

With the exception of the WSCPA, all of the best company awards were based on third-party anonymous surveys of

our employees. “We think the surveys that are part of the best company competitions are as important as the actual awards. With the surveys, we are able to compare ourselves, from our employees’ perspectives, to other accounting firms as well as to other businesses similar in size to us,” says Steve Day, a Shareholder with Clark Nuber. Tracy White, Clark Nuber’s Director of Human Resources adds, “the management group always wants to monitor whether we are still doing the right things. If our employees say we are, then we are. Entering these types of competitions is a good way to make sure that we are staying on the right track.” White gently encourages employees to complete the surveys, as there is usually a requirement of a minimum number of responses. However, she never suggests how to vote or what to say.

While we have very generous benefits and perks, I think there are other things, such as our culture, that make those survey votes go higher. For example, employee comments on the surveys range from “they take my ideas seriously,” to “I feel I can make a difference here,” and (my personal favorite) “I love getting out of bed in the morning and coming in to work.”

After we won our most recent best company awards, Katri had a different type of comment to make—“Clark Nuber’s sole mission is our dedication to the success of our people and our clients. Receiving this type of

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Technology As a Tool for Recruiting and Retaining Staff

By John F. Heveron, Jr.

Keeping up with new information technology (IT) is a good way to recruit and retain staff. At Heveron and Heveron, CPAs, P.C., the firm has created an environment that requires strong IT skills and adaptability to the continuous changes that occur as each new method evolves. Managing partner John Heveron, Jr., is quick to tell you that he doesn't think he could even get an interview with his firm these days.

According to John, "What our environment does is attract the right people, show respect for their time, give them continuous opportunities to learn and grow and convince them that it would be a step back to go somewhere else. These circumstances don't work for everyone, but the people who like this type of workplace are the kind of people we want to keep around."

IT is part of firm's core philosophy

Some facts about Heveron and Heveron:

- Total staff of 14, including four partners
- Very strong audit practice; over 65% is audit and attest work, most of which is focused in the affordable housing and nonprofit industries
- Paper-free audits for eight years; has even been asked to beta test some products

The firm also uses data mining software and other tools to

improve the quality and efficiency of their audits. There is less paper in its library thanks to the availability of excellent online research and forms services. Staff set up their online services to receive e-mail notifications about their specific area of interest, such as not-for-profit taxation.

As a member of the INPACT America's association of CPA firms, the firm uses Groove™ collaboration software, a secure file and information sharing tool, which allows Heveron to share information and work together on tools and documents. Microsoft acquired Groove and has included it in the Office 2007 suite.

Some of the other technologies used by the firm include wired and wireless networking in the field, voice input and computer telephony. The latter tool allows everyone in the firm to instantly see the status of everyone in the office and to track all incoming and outgoing calls for billing and follow-up. The firm also makes extensive use of terminal server, which allows the several staff members with young families to be home for dinner throughout the busy season but keep up with the busy season workload.

Focus on continuous training

Staff at Heveron & Heveron, CPAs get continuous training—much of it in-house—through its objectives-focused "University of Continuous

Professional Advancement" (UCPA). Individual training plans start with a review process called *preview* because it focuses on what each team member will be doing over the coming year and what training, tools and mentoring they need to achieve their *preview* goals. There is core education for new staff about the industries served by the firm and the technologies they use, as well. More individualized programs are available based on staff needs and desires. Heveron is licensed by the Department of Education as a continuing professional education provider, and they take that responsibility seriously. It allows the firm to use a combination of video, text, online and conference training to get the most appropriate education for each team member. While most of the training is technical, there also is also training in communications—an essential skill for auditors.

Happy staff means happy clients

Happy staff means happy clients, and Heveron's business has been really good. Clients appreciate the extensive use of technology because it allows the firm to perform more thorough, less intrusive audits using their automated tools.

Technology has always been a priority. Back when John, Jr. worked with his dad, John Hev-

Continued on page 22

Building Your Brand from the Inside-Out

By Mitchell Reno and Ricardo Resio

You know a good brand when you see one. They're familiar. They make us think and feel something—often, about a product or service we may know little about. And, if researchers are right, they help us make buying decisions too. Simply look around any retail environment and notice the distinct icons of famous brands. There's Target's red and white bull's-eye and the golden arches of McDonald's. Even Coke's swirl on a can creates an image in your mind of what you expect to experience when you "enjoy" the product. Go ahead, "have a Coke and a smile." Could that same Coke "teach a world to sing in perfect harmony"? Brands matter because brands have become big business—and they've made many successful businesses even bigger.

Capturing the full potential of a brand can be more challenging for professional services firms—but it can be done. In the world of professional services, the decision to invest in brand is a disconcerting one for both marketers and shareholders alike. Can a brand do for an accounting or law firm what it does so effectively for consumer products and services? Sure. But the pathway to building a brand should be approached with a less traditional method than those followed by leading consumer brands.

While the path may be different, the destination is one in the same: growth, profitability and equity. The financial impact and value of a branding investment is where you begin

and end any branding adventure. So, it's good to remember the mantra of Jerry McGuire's (played by actor Tom Cruise) famous statement, "Show me the money!" when considering whether to develop or enhance a branding program.

The value of branding

A successful brand can enable growth for companies both in revenue and profits. The ability to charge up to 20% more than your competition is a compelling reason to invest in branding. But a good return requires the right investment.

This chart depicts the natural life-cycle of a branded product. Without a brand, considerable profit is made early on, but soon, competition enters the market and erodes profit. However, with the development of a brand, the life-cycle of a product or service can be extended with higher profits. LePla and Parker's book, *INTEGRATED BRANDING: BECOMING BRAND-DRIVEN THROUGH COMPANYWIDE AC-*

TION (Quorum Books- Greenwood Publishing Group, 1999) states that of American buyers, 66% make purchase decisions based on brand. Companies with strong brands have higher customer retention rates and lower employee turnover. Even so-called commodity products, such as computers, will sell at a premium if they carry a strong brand name. A branded product increases positive perceptions with customers, employees and the community. It can even assist companies in creating the "one company" culture, an attribute many partnerships and professional services seek to build. In short, a strong brand creates an intangible business asset that can't be ignored by today's accounting and law firms.

Branding research has historically been focused on consumer branding. Recently, new research results demonstrate that brands built for professional service organizations are having strong impact inside and outside the organizations. Research is

Figure 1. Profit Profile in Life-Cycle of a Branded Product

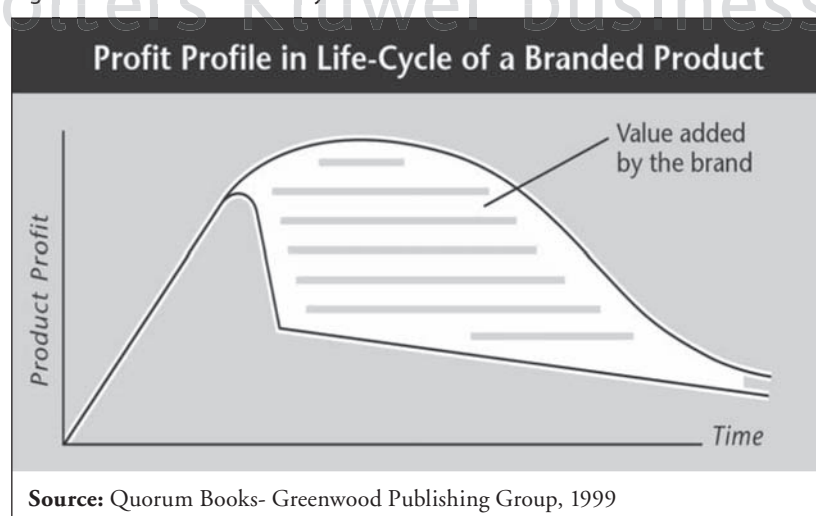
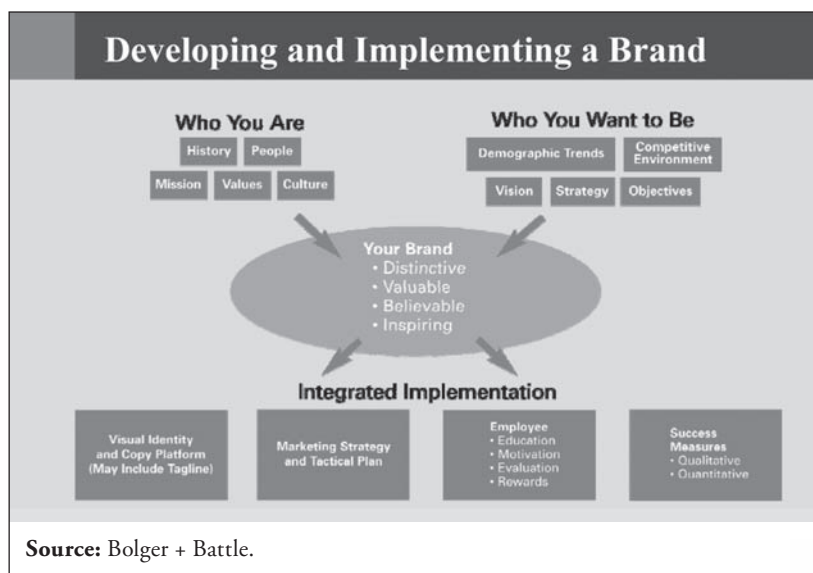


Figure 2. Developing and Implementing a Brand



recognizing the need to build the brand through an internal focus, as well as through external messaging and promotion. For our purposes, we call it “branding from the inside-out.”

How are brands built in service companies?

A brand encompasses everything a firm says and does. It’s the cumulative image, experience and outcome of every encounter between the associate, client, prospect[®] and even job candidates with the firm. That’s why professional service firms need to focus first on building the brand through their employees. Partners and their associates must learn what the brand promise is and how it can be delivered to clients. In professional service firms, brands are built through people. Primarily, they are built through the interactions between clients and associates of the firm. Brands are built through a consistent, integrated and constant effort over time—not overnight. Firms with solid “reputations”

many times become known for a strength or capability. These reputations have many times led to the development of strong brands over time. But as firms grow and expand, the reputation must be converted into repeatable behavior that is embraced and practiced by everyone in the firm. That’s where the power of branding comes to life in a professional service firm.

Brands must first be developed internally to ensure that the “brand promise” is permeated throughout every aspect of a firm’s culture and activities. Every experience your employees and clients have with the firm must rely on this core promise. The diagram *Developing and Implementing a Brand* shows how Bolger & Battle, a Midland, Michigan, marketing communications firm, envisions the process. The diagram represents the key components to developing and implementing an integrated brand not wholly dependent on external communications methods. In fact, the approach relies primarily on developing a strat-

egy around a common mission and values, a clear and distinct position in the marketplace and a commitment to developing employees who can fulfill the brand promise.

Successfully developing and deploying a new brand

Once a firm understands its position in the market (generally accomplished through focus groups and other research), it can begin to identify its vision for what it hopes to become in the future. This envisioned future must be motivational to shareholders and employees alike to be drivers for the successful development of a new brand. In most cases, an envisioned future is built around one of four key achievements: service or technical superiority, community or cultural leadership, market share or sales strength, or an exceptional workplace environment. When a firm determines where it wants to be positioned to uniquely compete and win in the marketplace, a brand can be developed. The brand can then take on qualities that set it apart from the competition. For a brand to have long-term potential and power, it must be distinctive from others in the same market place. It must also be believable and achievable. A brand that promises too much won’t be trusted by current and potential clients. At the same time, a brand must demonstrate an intangible value that your firm can deliver. It should inspire clients and employees alike to want to experience and be a part of it.

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Marketers' Corner

Can Alumni Associations Be Helpful to Mid-Sized Firms?

By Sally Glick

Q: I'm the marketing director at a mid-sized firm. My firm is thinking of starting an alumni program, and I have two questions for you.. First I, as the marketing director, should I have a responsibility in this venture? I also want to know if is this a worthwhile idea for a mid-size firm?

A: These are great questions. Before answering them, though, I want to say that your interest in this endeavor clearly demonstrates how quickly the role of marketing professionals is expanding in today's firms. The increasingly high level of marketers' knowledge and expertise is continuously adding value in new ways for our firms!

In light of the ongoing struggle over how to attract and retain high quality staff, alumni programs are an excellent idea for any size firm. I also believe that marketing professionals can be very helpful in the launch and maintenance of such a program. Because marketers have both experience in effectively promoting programs like this and well-developed communication skills, they are in a perfect position to assist their firms with launching and maintaining innovative strategies like this.

Alumni programs have tangible and intangible benefits

There are some obvious advantages for your firm if you create an alumni program:

1. Recruiting. Keeping in touch with previous employees creates a potential pool of professionals for re-hiring. Staff members leave for many reasons. Sometimes, they leave to try out a career in private industry; other times they go to work for a competitor. In either case, they may find they made a mistake. If you have stayed in contact and maintained a good relationship with your firm's alumni, they should feel comfortable approaching you and saying they want to discuss coming back. Even if that does not happen, they are more likely to speak highly of you to their peers, and refer your firm as a firm of choice to other CPAs.

Former employees who have strong ties are more comfortable making the decision to return. This concept is validated by an E&Y survey that says, on average, 25% of the firm's experienced hires are re-hires!

2. Emotional attachment.

There are intangible advantages to hosting a formal alumni group. Helping alumni keep in touch with each other by providing a forum for sharing ideas and experiences enhances their loyalty to you. Alumni programs help to generate an emotional attachment to your firm by re-

minding former employees of their connection to you.

3. Referrals. While alumni may enjoy remaining connected to the firm and to their former colleagues and friends, they may also occasionally be in a position to refer business to your firm. With the spotlight on independence, there are now many engagements that a CPA firm is precluded from performing for their clients. So, even if an alumnus is working at a competing firm, under these circumstances, they are forced to seek out other accounting firms for projects. When that opportunity arises, most would prefer to send the work to a firm where they have already established meaningful relationships.

4. Brainstorming. Alumni are also able to bring new ideas to your firm. Those who remain connected to your firm can provide a fresh supply of observations regarding processes and industry trends that you may otherwise be unaware of. This steady flow of ideas is a benefit with limitless potential.

5. Your culture and your reputation. One advantage of an alumni program which may not be immediately obvious is the pride it builds amongst existing employees. As staff observes the way alumni feel about the firm, their willingness to remain in touch and to share insights and experiences,

Figure 1. Deloitte Website

Deloitte.

Welcome to AlumNet, the dedicated alumni Web site of the Deloitte U.S. Firms.

At the Deloitte U.S. Firms, our vision is simple -- to be the standard of excellence in everything we do. We're committed to being the *First Choice* of the world's most coveted talent, and the *First Choice* of the most sought after clients.

This vision extends to our alumni and Retired Partners as well since, without you, we would not be the organization we are today. We invite you to log into the site to update your personal/professional profile, and then build your alumni network and take advantage of our other alumni offerings. Thank you for visiting!

First-time user
All new members- Register with your Network ID here!

For your first login, you'll need to enter via one of the registration links below. Complete the registration form, choose a password and agree to the terms of service. After that, we'll recognize your email address and you can simply enter as a Registered Member going forward.

- » Alumni and Retired Partners/Principals Registration
- » Friends Registration
- » Recruiter Registration

If you are a Current Employee, please access this site through DeloitteMail.

Registered Members Welcome back!

If you've logged into our site before, enter your registered email and the password you selected.

If you haven't formally registered on the site, we won't recognize your email. First time users please complete the short registration form by clicking the applicable link above.

Email:

Password:

☐ Save email on this computer

The power of networking in your hands

it makes current employees feel more pride as well.

It also builds the firm's reputation for excellence when it can identify with the continued progress of previous employees. Much like a university that boasts of the success of its graduates, your firm can point out that the training and experience you offer your employees forms a foundation for them that they can build on throughout their careers, no matter what path they select.

By forming an alumni group, your firm is making a statement about your attitude toward staff because, even after they have left the firm, you recognize that people are your greatest asset. By providing an alumni network for previous employees you are saying that you are willing to invest in people—even those who have left the firm.

Getting started

Starting an alumni network is a major project, and it should

be approached with that in mind. First, you should set the goals of the project by asking yourself some critical questions: Why does your firm want to host an alumni program? What does the firm expect it to accomplish? What will the budget be? Who will be charged with moving the program forward? Who will be held accountable for measuring success and attaining the goals?

Next, you should conduct a situational analysis. By doing some market research and visiting the Web sites of other firms, both locally and nationally, you will be able to see what other firms are already doing in this area. There is no sense in reinventing the wheel.

Once you have established clear goals, you can write a plan for building the program, which includes deciding what elements you want to include in your alumni group.

You may consider adding a page to your Web site where alumni can register, chat and access resources. You may publish an alumni e-newsletter, host a blog or even plan occasional social events. With a clear understanding of your firm's available budget and time commitment, you will be able to select the most appropriate components. If you start modestly, you can always increase the level of

sophistication of the program as it evolves.

Although your firm does not need to have as elaborate a web presence as the Big Four, here is a sample of what Deloitte offers its US alumni:

The "Big Four" and other large national and regional firms have used alumni programs to extend their reach, increase loyalty and build their reputation for excellence around the world. You, too, can establish your firm as one with its finger on the pulse of the industry, a cutting edge approach and faithful alumni. ♦

Editor's note: If you have a specific or theoretical question about an accounting marketing topic, please e-mail it to Sally.Glick@sobel-cpa.com and Marsha.Leest@WoltersKluwer.com. If you prefer to have your name withheld, indicate only your first name, position at the firm and city. For total anonymity, please request name withheld."

People, Firms & Promotions

Barnes, Dennig & Co., Ltd./Cincinnati welcomed **Cindy Padilla** to the position of Principal. Padilla, who came to the firm from the position of Vice President and CFO of a global manufacturing firm, will lead the Commercial Services Client Service Team, overseeing client engagements.

PKF Texas/Houston was recently named as one of the Best Companies to Work for in Texas. This third annual program was created by the Texas Association of Business (TAB), the Texas State Council of the Society for Human Resource Management

(TSC-SHRM), and Best Companies Group.

DeLeon & Stang/Gaithersburg, MD announced that **Allen DeLeon** was elected Chairman-Elect for the Gaithersburg-Germantown Chamber of Commerce.

Kimberlee Phelan, a partner at **WithumSmith+Brown/Princeton**, was honored as a "Woman of Influence" at the Women's Fund of New Jersey's 13th Annual Fall Gala. The Women's Fund of New Jersey is a not-for-profit organization providing financial assistance for programs supporting disadvantaged women and girls.

The Bonadio Group/Rochester, N.Y. announced the promotion of **Robert J. Enright** to executive vice president. In his new role, Enright will continue to develop cost-containment strategies and deliver forensic investigation and strategic-planning initiatives, including revenue-enhancement studies for the firm's clients. This is the first time that someone who is not a CPA, has earned a spot in firm's partner ranks. With Enright's promotion, The Bonadio Group is the first CPA firm in upstate New York to create a partner-like position for a non-CPA employee.

Wade C. McKnight has joined **J.H. Cohn's** San Diego office as a partner and Director of Assurance Services-San Diego. He was previously the Nevada managing partner at Deloitte & Touche, and led that firm's global and national gaming practices.

Craig Marshall has been tabbed as **Ernst & Young's** next Columbus office managing partner. Marshall will assume the role in June 2008. Marshall has been heading risk advisory services for E & Y's Ohio Valley region.

Haskell & White/Irvine, Calif. promoted **Dan O'Connor** to Tax Partner. O'Connor will help lead the firm's Tax Services Group.

Edward Terry joined **Suby, Von Haden & Assoc./Madison, Wis.** as a principal.

a Wolters Kluwer business

College Business Students Cite Career Opportunities, Not Money, As Top Criteria for Choosing Employer

KPMG Survey weighs students' concerns

When choosing their first employer, college business students want career opportunities, not salary and benefits, according to a survey conducted by KPMG LLP, the audit, tax and advisory firm. Sixty-five percent also believe they will be more financially secure than their parents.

In the KPMG survey of 2,409 business students from colleges across the country, 57 percent said that career opportunities would be their primary consideration when choosing an employer, followed by 22 percent who said work/life balance. Only 12 percent felt that the salary and benefits package would be their primary consideration.

And while many (53 percent) respondents only expect to stay at their first job for three to five years, the survey found that students largely have a "wait and see" attitude. An overwhelming number (74 percent) responded "maybe" when asked if changing jobs is necessary for career opportunities.

"While there is no doubt that companies need to think of quality of life issues when trying to attract new recruits, 'millennials' want jobs that

help them build a career and create opportunities for the future," said Manny Fernandez, KPMG's National Managing Partner—Campus Recruiting. "After accepting an offer, new recruits look at the career value proposition and employers must offer a rewarding career path to retain new hires."

The KPMG survey results show that an international rotation may be important to retention efforts. Forty-seven percent of college students surveyed indicated that they would like to work abroad for an extended period, while another 40 percent said they would consider it. And 61 percent stated that they believe international work experience is important in the business world.

"Many students study abroad and appreciate employers that provide opportunities to explore global assignments," said KPMG's Fernandez. "Firms that place an emphasis on developing people by offering global opportunities will be at the forefront of attracting the best and the brightest, since students realize that this experience is imperative in a global marketplace."

The KPMG survey, which was conducted online in September and October, also found students to be confident about their futures. In fact, 65 percent of respondents believe they will be more financially successful than their parents. But as to whether they will consult their parents about their first jobs, the responses were mixed. Thirty-nine percent of respondents expressed that they will consult with them somewhat, 17 percent said they will spend significant time with them, and 28 percent said they "possibly" will consult with them. Only 16 percent said that they would probably accept and then tell their parents where they will be working.

Other survey findings:

- 48 percent of college students said they would like to retire between ages 51-60, with 27 percent indicating between ages 61-70.
- 44 percent said they expect to work on average 50 hour work weeks, while 32 percent said 45 hours a week.
- 66 percent are concerned about the social networking opportunities at their full time employer. +

Telecommuting Has Mostly Positive Consequences for Employees and Employers

Telecommuting is a win-win for employees and employers, resulting in higher morale and job satisfaction and lower employee stress and turnover. These were among the conclusions of psychologists who examined 20 years of research on flexible-work arrangements.

The findings, based on a meta-analysis of 46 studies of telecommuting, involving 12,833 employees, are reported in the current issue of the *JOURNAL OF APPLIED PSYCHOLOGY*, published by the American Psychological Association (APA).

"Our results show that telecommuting has an overall beneficial effect because the arrangement provides employees with more control over how they do their work," said lead author Ravi S. Gajendran. "Autonomy is a major factor in worker satisfaction, and this rings true in our analysis. We found that telecommuters reported more job satisfaction, less motivation to leave the company, less stress, improved work-family balance and higher performance ratings by supervisors."

An estimated 45 million Americans telecommuted in 2006, up from 41 million in 2003, according to the magazine *WORLDATWORK*. The researchers defined telecommuting as "an alternative work ar-

rangement in which employees perform tasks elsewhere that are normally done in a primary or central workplace, for at least some portion of their work schedule, using electronic media to interact with others inside and outside the organization."

Gajendran and his fellow researcher David A. Harrison, PhD from Pennsylvania State University, found that telecommuting has more positive than negative effects on employees and employers. "A work-at-home option gives telecommuters more freedom in their work arrangement and removes workers from direct, face-to-face supervision," Gajendran said. In addition, the employees in their study reported that telecommuting was beneficial for managing the often conflicting demands of work and family.

Contrary to popular belief that face time at the office is essential for good work relationships, said Gajendran, telecommuters' relationship with their managers and coworkers did not suffer from telecommuting with one exception. Employees who worked away from their offices for three or more days a week reported worsening of their relationships with coworkers. However, managers who oversaw telecommuters reported that the telecommuters'

performance was not negatively affected by working from home. And those who telecommuted reported that they did not believe their careers were likely to suffer from telecommuting.

The typical telecommuter examined in the analysis was a manager or a professional from the information technology or sales and marketing department of a firm. The average age of a telecommuter was 39; men and women were equally represented.

Women telecommuters may derive even greater benefits from telecommuting. The authors found that study samples with greater proportions of women found they received higher performance ratings from their supervisors and that their career prospects improved, rather than worsened.

"Telecommuting has a clear upside: small but favorable effects on perceived autonomy, work-family conflict, job satisfaction, performance, turnover intent and stress," the authors wrote. "Contrary to expectations in both academic and practitioner literatures, telecommuting has no straightforward, damaging effects on the quality of workplace relationships or perceived career prospects." +

Source: Newswise.

Ignorance Isn't Bliss: Unethical Conduct Often Inadvertently Overlooked

In the wake of ethical debacles in major businesses like Enron, Tyco and WorldCom, new research from the Tepper School of Business at Carnegie Mellon University suggests that unethical behavior in corporate settings is often not born of a deliberate intent to defraud by a few bad apples. Rather, it's the slow erosion of individuals' behavior within the organization—small deviations that eventually become part of the norm—that go unnoticed and unreported, highlighting the need for companies to redouble their commitment to an open, transparent corporate culture.

Unethical behavior that develops incrementally over time, or along the “slippery slope,” is much less likely to be noticed by an individual, according to the study “Slippery Slopes and Misconduct: The Effect of Gradual Degradation on the Failure To Notice Others' Unethical Behavior.”

Co-author Francesca Gino, visiting assistant professor in organizational behavior at the Tepper School, conducted a series of experiments testing individuals' ability to observe and identify ethical misconduct that occurred either gradually or abruptly. The research was conducted in partnership with Max Bazerman, the Jesse Isidor Straus Professor of Business Administration at the Harvard Business School.

“We find that most individuals are more apt to engage in unethical behavior when it falls along the slippery slope, because they aren't aware that it's happening,” Gino said. She noted

that, in many ways, it's similar to the “boiling frog syndrome,” referring to the adage that frogs immediately hop out of boiling water, but when put in unheated water fail to notice a gradually rising temperature and eventually cook to death.

According to Gino, members of an organization may eventually realize that something is wrong, but by then may believe they have a conflict of interest for failing to report the misconduct, and thus ignore the unethical conduct and contribute to it becoming ingrained in the culture. “Once the ethical line has been crossed, an institutionalization of corruption can occur in which unethical acts become a common part of daily activities and people often have a vested interest in remaining quiet,” she said.

Gino and Bazerman conducted four experiments with 330 subjects, who were shown pictures of jars filled with pennies, with each experiment providing different estimates for the amount of money in the jars. Some of the changes in estimates were gradual while others were more abrupt. Subjects were asked to play the role of “approver,” accepting or rejecting the estimates, and were told that they and the estimators would be paid more for higher-approved estimates; however, they would risk a penalty for approving egregiously exaggerated estimates. Overwhelmingly, the results indicated that individuals were much less likely to notice this “unethical behavior” when it occurred gradually rather than abruptly.

Gino and her colleague also sought to gauge the effects of incentives, such as the increased payments for higher-approved estimates, on participants' tendencies to overlook gradual degradation. In the end, they discovered that such incentives made little difference in the perception of others' ethical behavior. Gino says these findings provide further evidence to support the conclusion that failure to notice gradual erosion—and not a deliberate attempt to defraud—is to blame.

According to Gino, the best way for companies to combat unintentional tendencies that may represent unethical behavior is to focus on changing the organizational factors that make these types of gradual breakdowns possible rather than attempting to change individual employee behavior. Within an organization, the human resources department is best suited to spearhead efforts at such reform, she says.

But, first and foremost, says Gino, “Companies must more clearly and consistently communicate ethical standards to employees and strive to create a culture in which there's a commitment to doing the right thing and in which people are encouraged to speak up.” While Gino acknowledges that there is a role for industry-specific regulation to address some aspects of unethical conduct, she adds that such regulation should be carefully scrutinized to assess other, unintended consequences. ♦

Source: Tepper School of Business, Carnegie Mellon University

Employee Meetings

Continued from page 6

To provide incentive for their creativity, presenters were promised nominal cash awards to those who participated in the winning presentation. Of course, the location of the annual meeting/picnic was important. "We chose a place that offered a variety of fun activities, such as mini-golf, horseshoes, volleyball, trout fishing, basketball and water-wars."

After the event, an online survey was conducted to gather feedback, which will allow KVD

to continue planning memorable, and fun, events in the future. Jennine stated, "One of the comments we received was how employees liked the opportunity to talk with others whom they normally may not get to during work hours."

When it comes to harnessing the power of creativity and making a firm event both memorable and strategically useful, this firm clearly gets it.

Is nurturing staff loyalty that important? Industry research predicts a severe shortage of professionals to replace retiring ba-

by boomers. If true, then holding onto professional staff will be the most critical element to a CPA firm's success in the decade ahead. With that in mind, creative application of the firm-wide meeting is a vital communication tool that should be embraced for competitive advantage. ✦

About the author: Larry Feld is the Director of Marketing of the Hunter Group CPA LLC, Fair Lawn, N.J., www.thehuntergroup.com. Larry can be reached at 201-261-4030, or via e-mail at lx@thehuntergroup.com.

Unique Internship

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capabilities—and based on the comments they brought back to their schools, we think we accomplished our goal. ✦

About the author: Richard A. Berkowitz serves as Managing Director of Berkowitz Dick Pollack & Brant and has served in this position

since the firm's inception in 1980. The firm, recognized by INSIDE PUBLIC ACCOUNTING (formerly BOWMAN'S ACCOUNTING REPORT) as one of the 25 best managed accounting firms in the U.S. every year for 13 consecutive years, is one of the largest public accounting firms in South Florida and one of the top 100 firms in the United States.

In addition to his role as Managing Director, Mr. Berkowitz focuses

his practice in strategic and management planning for businesses and professional firms; mergers and acquisitions; international business and tax planning; and domestic tax and financial planning for businesses and individuals. He is a past-President of the FICPA, the International Group of Accounting Firms and serves on the Council of the AICPA. He can be reached at Berkowitz@bdpb.com.

"Best Company"

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recognition from our employees is truly an honor."

Although these awards are important for employee recruiting and retention, clients also want to be associated with a "best company." Rob Fleming, a Shareholder with Clark Nuber and Candi Avery, a Senior Manager, recently met with a client's audit committee. "They complimented us on the award for being a 'best place to work,'" said Rob. "They had also won

this award, and told us they prefer to do business with companies that put a high priority on employee job satisfaction."

We have won a number of awards for being leaders in the business community, for our commitment to community service and for excellence in the accounting profession. I believe that this broad recognition has instilled a sense of pride in our employees and contributes to the high number of best company survey votes. The variety of awards is also a real differentiator for us from a client's and

prospect's perspective. For example, when I finished a proposal debriefing with a new client, I asked her if there was anything else she wanted to say. "Yes, she said, "those awards. I was impressed—you just can't go out and buy those." ✦

About the author: Ann Callister is the Director of Marketing with Clark Nuber P.S., a nationally recognized accounting firm located in the Seattle Metropolitan Area. She can be reached at acallister@clarknuber.com, 425-454-4919, or www.clarknuber.com.

Technology

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eron, Sr., CPA there were computers, essentially bookkeeping machines, and then one of the first IBM PC's available in Rochester. The firm's technological proficiency was apparent early on. John, Jr. loves to tell the story of a banker who introduced him to a client simply because he thought they would get along well because each owned a

PC! John and his client remain close friends to this day.

The firm doesn't automatically adopt every new technology that comes along. Instead, they go through a process that challenges each one and evaluates how it can help the firm before investing in upgrades.

John Heveron and his partners Michael Desmond, Stephanie Annunziata and Brenda Smith, make a commitment to every person that they hire

that they will learn something new every day. They've never been accused of breaking that promise. More importantly, they have been able to put together and retain an extraordinarily strong team. ♦

About the author: John F. Heveron Jr. is managing partner at Heveron and Heveron, CPAs, P.C., which is located in Rochester, NY. John can be reached at john@heveroncpa.com or (585) 232-2956.

Building Your Brand

Continued from page 14

The easy part of building a new brand is in its creative execution. Leave the visual development of your image to the professionals. Just as professional service firms are trusted and valued, marketing communications firms and advertising agencies can be trusted to help you create the appropriate visual image. Be certain to give the creative firms enough access to truly get to know where the firm is currently positioned and where it wants to be positioned. While a new brand will be somewhat of a departure from where the firm currently is, it must also fundamentally mesh with the firm's culture to effectively be embraced by associates and clients alike.

More important to firm executives should be the focus on how to leverage the brand in the execution of its marketing strategy and business plan. All business units and service lines should develop plans to embed the brand in how service is delivered—as well as what is communicated about it. In early stages of devel-

opment, a solid brand strategy should change how services are packaged and delivered.

Branding from the inside-out means focusing on your staff through training and communication. Creating a successful brand cannot be done in a professional service firm without a comprehensive training program that helps employees understand the brand promise and coaches them on how to fulfill it. This is the most critical difference in how a brand is developed in a professional service firm. In most cases, this involves training all levels of the organization. A brand can be something employees will rally around, and it can be a motivator to raising service standards and behavioral outcomes to new levels.

Begin by building the brand internally through a methodical and planned approach. In most cases, a brand should be launched through an internal launch first. This can be accomplished by developing an event and training program that can help employees reposition the firm in their minds and become prepared to "live the brand" through specific and targeted training programs. These

programs are best if they are customized by level and service line. Remember, if a brand is to be effectively translated through your organization to clients and referral sources, it is critical you provide employees with the tools to represent the brand. Oftentimes, these "tools" are actually skill sets that can be taught and internalized.

A firm's orientation program for new hires is an opportunity to make an immediate impact on associates and its brand. Here, the firm's senior management can share stories and experiences highlighting its great people practices. It not only serves as a reminder of the great things being done in the company, but it also instills an expectation that everybody has responsibility to support the corporate culture.

Other ideas include: supplying hiring supervisors (and campus recruiters) with the top reasons why it is great to work for your firm; training managers in people-management performance; and training everyone, including administrative assistants, in delivering world class customer service.

An effective tool for deploying your new brand is a handbook.

A brand handbook is a powerful collection of data on your organization and useful information to help employees understand how to live the brand promise. The handbook should include a clear explanation of the firm's mission, vision, values and brand promise. It should also serve as a reference on how to behave in "branded" ways. These behavioral guides demonstrate what the expectations are so that branded behaviors can become replicated throughout the entire firm. The handbook can also have other resources that help associates successfully market the firm and generate new opportunities.

Internal promotions can also be effective in launching a new brand. Contests and incentives can be used to "catch" employees behav-

ing in "brand-specific" ways and help incorporate the activities in everyday interactions with clients. Once these internal promotions end, the branded behavior will have been learned and employees will have a better understanding of the new brand expectations.

Summary

At its core, building a brand from the inside-out is a process of leveraging a firm's mission, values, vision and brand promise through the orchestrated efforts of an informed and impassioned workforce. It is the blend of a firm's core business strategy with the dedicated, day-to-day actions by staff to fulfill a promise. Branding from the inside-out begins and ends with people. If a brand can't be "lived" on a daily basis by

each member of a firm, it's likely not going to have long-term value to a professional service firm. Although capturing the full potential of a brand can be more challenging for professional service firms, if successful, the outcome is definitely rewarding. Just watch the ending of Jerry McGuire. ♦

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Nominate for 2008 MOY Award

CPA Practice Management Forum is proud to sponsor the 2008 Accounting Firm Marketer of the Year Award. Submit your nomination by **Feb. 1, 2008**. Self-nominations are welcome.

To nominate yourself or another marketer, e-mail marsha.leest@wolterskluwer.com and include:

- the nominator's name, title, firm name, phone number and e-mail address;
- the nominee's name, title, firm name, phone number and e-mail address; and
- the phrase "Marketer of the Year Award" in the subject of the e-mail.

Both nominator and nominee will receive applications after the **February 1** nomination deadline. These applications must be filled out by both individuals for the nominee to be eligible, unless he or she is self-nominated. The deadline for completing applications is **March 28**.

The Marketer of the Year Award will be presented at the **Association for Accounting Marketing's AAM Summit 2008: Wild On Marketing, June 4-6 in San Diego**.

Nominees must have held a senior-level marketing position in public accounting for at least three years, although not necessarily at the same firm. Criteria for selection focus on leadership and impact rather than on conceptual or theoretical work. Strong candidates will have made a major contribution to their firm by:

- strengthening an existing marketing program;
- creating/introducing a new marketing program; or
- significantly increasing a firm's marketing orientation.

Please call **Marsha Leest at (845) 369-3224** with questions about the MOY award. For information about the Association for Accounting Marketing and its annual summit, call AAM at (816) 221-1296 or visit www.accountingmarketing.org.

Nominate a 2008 ACE Award Candidate; Nominations Due by February 1, 2008

CPA Practice Management Forum is proud to co-sponsor the 2007 ACE Award with the **Association for Accounting Administration**/Dayton, Ohio.

The ACE Award—which stands for Achievement, Commitment and Excellence—previously was known as the Accounting Firm Administrator of the Year Award. Former winners have held titles such as firm administrator, director of administration, chief operating officer, chief financial officer and chief executive officer.

Regardless of the title, nominees must hold a senior-level administration position with a public accounting firm. Criteria for selection focus on leadership and the individual's strategic impact on the firm's profit and growth.

Strong candidates for the ACE Award will have made major contributions to their firms by implementing and overseeing programs that:

- contribute to the firm's long-term growth;
- help the firm meet its strategic goals;
- improve firm profitability;
- help create an employee-friendly culture that encourages long-term staff retention; and
- emphasize the value of entrepreneurship, leadership, continuous learning, marketing and client service skills.

The nomination deadline is **Feb. 1, 2008**. Self-nominations are welcome. Both the nominator and nominee will receive an application that each must complete. These applications must be filled out by both individuals for the nominee to be eligible, unless he or she is self-nominated. The deadline for these applications is **March 28**.

The ACE Award will be presented at AAA's 2008 National Practice Management Conference, **June 17-20, 2008 in Dallas, Texas**.

To nominate a change agent for the ACE Award, send an e-mail by **Feb. 1** to **marsha.leest@wolterskluwer.com**. Include the following information:

- the nominator's name, title, firm name, e-mail address and phone number;
- the nominee's name, title, firm name, e-mail address and phone number;
- the phrase "ACE Award nominee" in the subject of the e-mail.

Or you may register on-line at http://www.cpaadmin.org/about_awards.php

Please call **Marsha Leest at (845) 369-3224** with any questions about the ACE Award. For information about the Association for Accounting Administration and its national conference, call AAA at (937) 222-0030 or visit www.cpaadmin.org.