

The Profit and Value Manager--Sample

The Profit and Value Manager is a free service, with quarterly updates, for subscribers to CPA Leadership Report. It is a list of questions about leadership and practice management that every firm should investigate.

The Profit and Value Manager is based on the sources in the monthly issues of *CPA Leadership Report*, from which we add new questions each month. Each question has one or more references to the source articles, and electronic links to the articles. The checklist has over 125 questions.

The checklist is categorized as follows:

- A. Strategy and Profitability
- B. Management/People/Culture
- C. Training
- D. Recruiting and Retention
- E. Compensation
- F. Client Relationships
- G. Succession/M&A
- H. Administration and Technology
- I. Marketing

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How to Use the Profit and Value Manager

The Profit and Value Manager is a series of questions to which the desired response is “Yes.” If your response is “No,” or if you are uncertain about the effectiveness of your procedures related to the question, you have the ability to drill down for more information. Here’s how:

At the end of each question is a link to the article from which the question came. Click on this link and you will find the summary of the article. At the end of the article you will find the source from which the article was summarized. For most articles there is an electronic link to a Website with the complete article.

In addition to the links at the end of the Profit and Value Manager, use the index and archives in CPA Leadership Report to find other articles relevant to the checklist question.

The Profit and Value Manager will help you:

- ✓ Select ideas for inclusion on agendas for retreats or partner meetings.
- ✓ Prepare for discussions on the above.
- ✓ Conduct performance appraisals—to help employees with specific improvement projects.
- ✓ Serve clients—adapt selected questions to develop a management checklist for your clients.
- ✓ Prepare personal development or marketing plans by partners and managers.
- ✓ Develop training sessions in leadership and management.

Using the questions, article summaries, original articles, and references where appropriate, your objective should be to prepare an action plan for implementing each idea from the checklist that is appropriate for your firm and your circumstances.

A. Strategy and Profitability
1) Do you limit your goals to a realistic number (if everything is important, nothing is important)? (Determining Priorities When Planning)
2) Not included in sample
a.
b.
c.
d.
3) Not included in sample
4) Not included in sample
5) Not included in sample
6) Not included in sample
7) Not included in sample
8) Not included in sample
9) Not included in sample
10) Not included in sample
11) Not included in sample
12) Not included in sample
13) Not included in sample
14) Is your firm organized as a republic, as opposed to a dictatorship or a democracy? (Do You Have the Right Organizational Structure?)
1) Not included in sample
2) Not included in sample
3) Not included in sample
4) Not included in sample
5) Not included in sample
6) Do all partners comply with the policies of the firm? (Choosing a Governance System)
7) Not included in sample
8) Not included in sample
9) If your realization is very high, say 98%, have you increased fees to force people to increase realization? (Manage Better for Better Earnings)
10) Not included in sample
11) Are decisions about the acceptance of clients and the assignment to partners made by the firm, not by the individual partners? (Choosing a Governance System)
12) Not included in sample
13) Not included in sample
14) Not included in sample
15) Not included in sample
16) Not included in sample
17) Not included in sample
18) Not included in sample
19) Not included in sample
20) Not included in sample
21) Before scheduling a meeting, do you first determine if its purposes can be accomplished by communicating with a few people by phone or e-mail? (Conducting Better Meetings)
22) Not included in sample
23) Not included in sample

24) If you use staff pools, do you centralize the selection function and bar selection by individual partners? (Manage Better for Better Earnings)
25) Not included in sample
26) Not included in sample
27) Not included in sample
28) Not included in sample
1) Not included in sample
2) Not included in sample
3) Have you done a cost/benefit analysis of your training expenses? (Does Training Pay for Itself?)
1) Not included in sample
2) Not included in sample
3) Do you maintain a network of ex-staff members—invite them to CPE events, social events, etc.? (PCPS White Paper on Recruiting and Retention)
4) Not included in sample
5) Not included in sample
6) Not included in sample
7) Not included in sample
8) Do you perform due diligence on recruiters before engaging their services? (Outsourcing the Recruiting Function)
9)
10) Do you use younger people in the firm to play leading roles in the recruiting process? (The Tie-In Between Staffing and Succession)
11) Not included in sample
12) Not included in sample
13) Not included in sample
14) Not included in sample
15) Not included in sample
16) Not included in sample
17) Not included in sample
18) Not included in sample
19) Not included in sample
20) Not included in sample
E. Compensation
1) Is the compensation of your managing partner in the upper quartile of all partners? (Paying the Managing Partner)
2) Not included in sample
3) Not included in sample
4) Not included in sample
5) Not included in sample
F. Client Relationships
1) Not included in sample
2) Not included in sample
3) Have you developed a marketing plan specific to each client—with goals for each client and action plans for meeting them? (Marketing to Current Clients)

4) Not included in sample
5) Not included in sample
6) Not included in sample
7) Not included in sample
8) Not included in sample
9) Do you review each client, at least, annually to determine if you are meeting all its unmet needs? (The Process of Managing Clients)
10) Not included in sample
11) Not included in sample
12) Not included in sample
1) Not included in sample
2) Not included in sample
3) Not included in sample
4) Have all your professionals signed non-compete agreements? (M&A Due Diligence)
5)
6) Are you merging to solve problems that are better solved internally? (Before You Merge, Consider These Issues, Can You Grow Without Merging Up?)
7) Not included in sample
8) Not included in sample
9) Not included in sample
10) Not included in sample
11) Not included in sample
1) Not included in sample
2) Not included in sample
3) Not included in sample
4) Not included in sample
5) Not included in sample
6) Not included in sample
7) Not included in sample
8) Not included in sample
9) Do you spend between \$6,500 and \$8,000 per person per year on technology? What characteristics in your firm cause it to be more or less than that? (How Much to Spend on Technology)
10) Not included in sample
11) Not included in sample
12) Not included in sample
1) Not included in sample
2) Not included in sample
3) Do you have a one-page marketing plan? (A One Page Marketing Plan—Emphasize the “Doing.”)
4) Not included in sample
5) Not included in sample
6) Not included in sample
7) Not included in sample
8) Do you encourage one-on-one relationships with prospects and referral sources, rather than group meetings? (Landing the Big Engagement)
9) Not included in sample
10) Not included in sample
11) Not included in sample
12) Not included in sample
13) Not included in sample
14) Not included in sample

15) Not included in sample
16) Not included in sample
17) Not included in sample
18) Do you have a special Web site (not your regular site) offering information about a niche in exchange for the visitors' email addresses. (How to Become a Dominant Provider in Your Niche)