



What can We Expect of the CPA Firm of the Future?

The CPA Consultants' Alliance (CPACA), a group of thought leaders working together to further leadership within the CPA profession, recently held its annual meeting to discuss the changing CPA profession and to offer predictions of what leading CPA firms will look like in ten years. Their answers follow:

Terry Putney, Transition Advisors, LLC, www.transitionadvisors.com

Mergers will continue at a rapid pace because the need for external succession solutions for small and medium size firms will not abate and because M & A has proven to be an effective tool for growth. This will result in firms at the top of the profession in size continuing to grow at a rapid pace. However, another result will be an emergence of smaller new entrants to the market responding to a rapidly shifting market by offering much more specialization and utilizing new technologies to deliver services. Virtual firms unbound by geography and real estate will become much more common. Pressure from outside the profession on the pricing of compliance services also will increase.

Tamera Loerzel, ConvergenceCoaching, LLC, www.convergencecoaching.com

Rainmakers will look different in the future from many current rainmakers who are a named partner in the firm and know everyone in town. Leaders need to plan for and develop the various types of rainmakers that will emerge in firms, such as those who primarily develop business through their existing clients, those who focus on a specialty service area or industry niche and are known as the go-to person for their particular expertise, and those who heavily utilize social media and other digital platforms to gain new ways in to opportunities. The future rainmaker is diverse and firms that identify and cultivate the relational skills of their people will be poised for tremendous growth as their current rainmakers retire!

Sarah Johnson Dobek, Inovautus Consulting, www.inovautus.com

The growth model for CPA firms will be changing. Specialization won't be optional and CPA firms will no longer be predominately driven by compliance services. Firms of all sizes will be offering and delivering more consultative services to their clients in their areas of specialty. As a result, I believe we will see more non-CPAs in client service roles than ever before.



Sandra Wiley, Boomer Consulting, Inc., www.boomer.com

The word that kept bubbling to the top during our conversation was "change". I realize that most firm leaders have been hearing about that concept for years, and might even roll their eyes a little when they hear the "C" word again, but it is the word we must learn to embrace, not fear. Change in how we work, the people we hire, the compensation models, where we work, the conversations we have with our clients and even the way we dress is going to evolve. The only words we did not hear during our conversation were "that will stay the same". Prepare for an amazing transformation!

Roman Kepczyk, Xcentric, www.xcentric.com

The transition for CPA firm internal networks to cloud-based applications and vendors will accelerate as security concerns rise, the desire to have anytime, anywhere access to firm resources increases, and the stagnation of internal IT personnel skills becomes noticeable. Security will be one of the top drivers for firms adopting cloud-based tax applications and portals as firms look to implement continuous security, intrusion detection and prevention systems which are not cost effective for medium and smaller firms. Employee commuting time in most metropolitan markets will increase significantly, forcing firms to offer remote/home access solutions to retain personnel, further point to cloud solutions for secure telecommuting. Many firms have longtime IT personnel that have focused on hardware and network applications which are being disintermediated by the cloud vendors. Firms will replace traditional IT personnel with project managers and learning coordinators that will focus on streamlining production and optimizing the use of the applications instead of running software updates.

Rita Keller, Keller Advisors, LLC, www.ritakeller.com

A growing percentage of new hires in CPA firms are non-CPA track people. The changing profession needs the skills of people who will not become highly-skilled tax or assurance technicians. PwC's Halo and other big data resources will attract a variety of young, talented people to the profession. "Grunt work" will disappear.

Rick Solomon, Thriving Firm, www.thrivingfirm.com

While the acquisition model is certainly a valid growth strategy, firms that want to truly thrive and enjoy sustainable success will be those that invest in the underlying drivers of a successful, thriving firm. This includes, among other things, genuinely nurturing and developing their people and understanding the true nature of value and delivering it to clients. This requires having a people centric/value driven mentality that at times might require the sacrifice of short-term profits for long-term viability and sustainability.



Jennifer Wilson, ConvergenceCoaching, LLC, www.convergencecoaching.com

As I envision firms ten years from now, I see Millennial and Generation X-led firms, leveraging technology to run smarter, more efficient firms. I picture more corporate organizations, where decisions are made that benefit the whole and individual leaders submit to those decisions because that's what works best. I see firms investing in leadership and management skills for all team members and valuing those who have these skills above others. I envision firms delivering higher-value, consultative services that help clients anticipate and respond to the future – versus only historical, compliance-based services. As a result, I also see firms who employ more non-CPA consultants, where CPAs and non-CPAs work together to make a powerful difference for clients.

Gary Adamson, Adamson Advisory, www.adamsonadvisory.com

My take-away from the meeting was focusing more by letting go of the things that are not core to our mission or purpose. As consultants we are asked by our clients to help them in a variety of ways. Because of our desire to serve, our natural response is often “sure, I can help you with that” even when it falls outside of our core competency. We are much more effective and the client is much better served when we bring our focused expertise. I think that the firm of the future, ten years down the road, will also be more focused along industry and service niches. Smaller practices will thrive by narrowing the target audience and building the menu around them.

Dustin Hostetler, Boomer Consulting, www.boomer.com

First, the makeup of the personnel inside the firm will be different. There will be more non-CPAs as firms diversify into offering more advisory services. This is going to impact recruiting, development of current employee skill sets, and probably retention. Second, there will be a growing profitability divide between future-focused firms who stay ahead of the curve with both technology and service offerings compared to those firms who continue to “milk” the status quo. Lastly, compliance work will still be a solid base of work in most firms but nonetheless a base of work that is going to be much more automated and efficient than it is today.



Carrie Steffen, The Whetstone Group, www.thewhetstonegroup.com

Most of us who are consulting with firms across the country are seeing a trend toward soft skills development, recognizing that current and future leaders need more than technical ability to champion their firms into the future. To that, I suggest that in ten years the profession will demand more critical thinking, strategic consulting and relationship building from its practitioners to meet the growing demand for creative solutions from clients. Firms will continue to keep a base of compliance work, but will look to non-compliance oriented engagements to grow the top-line. I also believe that in ten years we'll see a trend in employing more non-CPA professionals with specialized expertise among those firms at the forefront of the profession.

Bonnie Buol Ruszczyk, bbr marketing, www.bbrmarketing.com

I'm starting to see firms of all sizes go from implementing random marketing tactics in a reactionary way to embracing it as a strategic part of their growth plan. As firms start to add more Gen X and Millennial partners, I expect this will continue and become as much a part of firm planning as reviewing realization rates and discussing which industries are most profitable. The methods used will expand as well as more firms take advantage of social media, video and other online methods not only to communicate their differentiators but to connect with potential clients and develop relationships.

Angie Grissom, The Rainmaker Companies, www.therainmakercompanies.com

The profession is continually changing and technology is playing a big part in this. Successful firms must keep their eye on the ball and look for market indicators that will inform market, client and team member needs. In ten years, we will continue to see the trend of cloud, mobile and social in firms. We will see firms and their rainmakers focusing on serving clients more holistically than now with an eye on strategy and profitability, and a little less on general compliance.

Coming in April 2016—The CPACA's new book ***BRIDGING THE GAP: Strengthening the Connection between Current and Emerging Leaders in the CPA Profession***. The book features 14 chapters worth of insights, examples, and perspectives from practitioners nationwide. In addition, each chapter contains discussion questions to help open conversations among current and emerging leaders in firms to build greater understanding and a common vision for the future. The book will be available from Amazon in both electronic and soft cover form.



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