EBOOK

How to hire, manage and retain the best talent for your firm

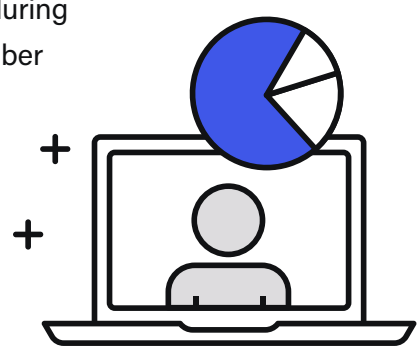


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Staffing in accounting firms has become a significant concern over the last several years

When the focus turned to work-life balance—or lack thereof—during the COVID-19 pandemic, the result was a mass departure of millions of workers across the United States. Between 2020 and 2022 alone, **over 300,000 accountants** and auditors left their jobs—either by retiring or leaving the profession entirely.

And there's no large line of recent graduates ready to take their place. In fact, only about 47,000 students earned a bachelor's degree in accounting during the 2021-2022 school year, down 7.8% from the previous year. The number of students earning a master's in accounting also dropped to 18,238 or 6.4% in the same year.



For the younger generation, 80-hour work weeks during tax season and repetitive tasks are a huge turnoff. But that's not all.

Is it possible to reverse this downward trend?

Accounting and tax firms are seeing **high turnover for three reasons:** culture fit, lack of professional growth and the lack of workplace flexibility. You can address these factors by implementing what we call Smart Team Management—one of the four "smart" pillars of a modern accounting firm. Let's take a closer look at this important concept.

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So...what can you do?

You can start by implementing Smart Team Management—a proven approach that offers a clear guide to building a successful modern firm.

With this approach, you can:

- **Build a healthy and sustainable work environment.** This means leveraging the right tools and technologies (i.e., building the right tech stack) to keep lines of communication open between owners, partners and staff. It also includes setting clear expectations and providing consistent performance feedback.
- **Ensure teams are working at optimal effectiveness.** This means you've set specific and measurable goals for each staff member that center around the firm's priorities—measuring *output* instead of time spent in the office. It also includes consistent communication that keeps your staff encouraged and updated on goal progression.
- **Reduce staffing challenges.** This includes developing a clear—and competitive—plan for employee compensation, benefits and perks. It also means you've created a quantifiable culture using benchmark tools (i.e., employee satisfaction surveys) to measure progress—and incentivize your team to help attract and keep top performers.

Smart Team Management helps firms execute their business model, keep their staff engaged and happy, and offer clients an unparalleled experience. It creates the building blocks that help support your people—even during busy season—which is what matters most in your firm.

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Knowing your business model

Without an intentional business model, a healthy culture can't exist. A modern business model focuses on three key areas: **WHO**, **WHAT** and **HOW**. Let's look at each of these factors more closely.

WHO you want to serve

You need to know who your **ideal clients** are. At its most basic, these are the clients that you're great at serving and the ones you love to serve. Ideal clients generally possess the following characteristics:

- They pay on time.
- They ask for—and take—your advice.
- They use several of your services.
- They adapt to your tech stack.
- They treat you and your staff with respect.

Gone are the days of taking any client who walks in your door or calls you once a year for their 1040. Modern firms decide who they want to work with and pass on the non-ideal clients.

WHAT you want to sell

Once you've determined your ideal client personas, you need to figure out what you want to sell. Consider the following three questions:

- Which services does your firm excel at providing?
- Do you have the right staff to support these services?
- Are these services standardized and repeatable?

Consider the services that help create year-round revenue, such as client accounting and tax, payroll, retirement plans, and cash flow forecasting—just to name a few. Develop these into "off-the-shelf" products that are repeatable across all clients.

HOW you want to deliver your products

Consider the technologies that make your products and services as friction-free as possible—for both your firm and your clients. Think about the tools that will streamline your business, fuel productivity firm-wide, and improve collaboration and communication with your staff and clients. Your goal should be to digitize as much as possible. Your tech stack should include:

- A dynamic, mobile-friendly and educational website.
- Secure cloud storage that's easily accessible by your team, for non-transactional financial information.
- Team and client collaboration tools for messaging, video calls and easy client scheduling.
- Proposal creation and digital signature apps that streamline your proposal process and easily sync client data with your Customer Relationship Management (CRM) system.
- Integrated apps that support your automated and streamlined environment when it comes to payroll, accounts payable and receivable, document management, receipt management, and expense reimbursement.
- Real-time reporting for insights into your business and your clients' businesses.

To implement the Smart Team Management approach, you *must* have clarity around your business model, as it lays the groundwork for everything within your firm. When you're unclear about who you serve, what you provide and how you deliver your services, it promotes a lack of boundaries for your clients—which can lead to a deteriorating and toxic firm culture.

Creating a winning culture

Your business model can make or break a healthy firm culture. That's why it's crucial that you actively manage your business model on a daily basis. And that's where implementing Smart Team Management comes in. It will help you create an atmosphere where people love their jobs—and want to stick around.

What is culture?

In its most basic form, culture is your firm's collective beliefs and behaviors. But there's a catch. You can't just say you have an incredible culture; it has to be developed intentionally, starting from the top. That means your mission and firm values must include a healthy culture as a mainstay.

Investing in your company's culture—and your people—should be of utmost importance. Not only does it impact your employees and your business, but it's the single thread that weaves its way through everything your firm does. So, let's get into it.

Why does culture matter?

Being **unhappy with firm culture** is one of the top reasons younger employees leave their firms. A strong, healthy culture benefits your firm financially, and leads to happier and more engaged employees, even during busy season. Consider the following four benefits of creating a healthy culture.

1. It helps attract great talent.

The most impactful way to attract outstanding employees is by creating a culture they can't resist—one that echoes their own values. When your team is happy, they enjoy their work, want your firm to succeed and tend to stick around.

2. It saves time and money in recruiting.

Hiring and training a new staff member—instead of retaining a current staff member—can cost a firm upwards of nine months' salary. If your firm experiences high turnover due to your unhealthy work environment, you lose a lot of money. A strong culture retains your power performers, who then help recruit strong talent, too.

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3. It makes everyone happier and more satisfied.

Employees are happier when they feel seen, valued and heard, which leads them to be more engaged in their work. Bonus: Their happiness extends well beyond your team and out to your clients.

4. It helps maintain clients.

A winning culture helps your team deliver an unmatched client experience. Happy employees ensure client interactions are consistent with your firm's values and mission, and they approach problem-solving collaboratively. Another bonus: An excellent client experience can reduce churn.

What are the key factors of culture?

There are four key components in a firm's culture—and at the heart of Smart Team Management. We refer to them as the Four Cs: **Clarity**, **Candor**, **Connection** and **Consistency**.

Clarity

Clarity is awareness of the "who, what, how and why" of your firm. We covered your business model's **WHO**, **WHAT** and **HOW**, but the **WHY** is just as important—it's knowing *why* your work matters. And this is driven by the awareness of your firm's mission, vision and values. You can find clarity by knowing the answers to the following questions:

- **What** are we selling?
- **Who** are we serving?
- **How** are we operating the business?
- **Why** does our work matter?



Candor

Candor can be the most powerful, yet most challenging, component to implement in a healthy culture. Firms must allow space for their staff to offer honest perspectives—including negative feedback—without fear of repercussion. You can build comfort around candor by setting up regular one-on-one meetings with each of your staff members. Encourage honest communication and let your team members lead the conversation.

Connection

Employees who feel engaged and connected work harder, so it's important that they're acknowledged on a daily basis and given an environment that allows them to thrive. Help your team feel...

- **Seen** by checking in on them regularly. This is even more important for teams who work remotely.
- **Heard** by asking for their input and feedback.
- **Valued** by prioritizing your people and providing regular encouragement and appreciation. (Hint: A handwritten thank-you can go a long way.)

Consistency

When you consistently dedicate time to making small, incremental changes that keep your employees engaged and part of the conversation, you create consistency. When you consistently create clarity, build candor and make connections, you've established consistency. So keep scheduling the one-on-ones, plan that annual firm retreat and host a virtual happy hour. Those small acts on a consistent basis will build a healthy and sustainable culture over time.

What are four habits you can start building now?

Every healthy firm culture starts by building healthy habits. Incorporate the four habits below to start building the foundation you need to support a winning culture.

1. Direction.

We've said it before, and we'll say it again: Know your business model. This helps set clear expectations and attainable goals, so every member of your firm knows their responsibilities.

2. Assessment.

Make sure you're measuring what matters (i.e., having the right KPIs in place) and consistently meeting with your team members to track progress on firm goals and objectives. This allows staff to candidly provide feedback on anything going on in the firm—including the good and not-so-good.

3. Appreciation.

Recognize your employees and the great work they contribute with competitive compensation. Offer benefits like 401(k) matching and healthcare, and include perks, such as flexible schedules and a remote working environment.

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4. Improvement.

Your team needs to see how your firm succeeds. Whether it's through reporting or success stories from clients, keep your team involved in all your firm's successes. Your staff needs to know that what they're doing matters—so include them in those conversations.

You can start building these healthy habits at any time, even during busy season. That's how Smart Team Management helps you maintain an incredible culture for your firm.



Recruiting and keeping top talent

To be competitive when it comes to hiring, implementing Smart Team Management can help you stand out from the crowd. From modernizing your hiring process to creating clear career paths, here are five actionable steps you can take *today* to help you build a healthy and sustainable culture any time of year—even during busy season.

Step 1: Modernize your recruiting process

First impressions can last a lifetime. That's why it's vital that the first experience a possible candidate has with your firm makes a good impression. You can do this by:

1. Creating a modern job description.

To attract the best candidates, you have to stand out as a modern employer. Consider what will grab someone's attention and differentiate your firm from all the others. Offer a strong "About Us" statement with keywords that will attract top performers (e.g., modern firm, tech-savvy, remote-work friendly, AI-positive, healthy culture). Also, listing the salary range gives **82% of applicants a positive impression** of the company.

2. Posting jobs in the right places.

Attract qualified candidates by posting jobs on sites specifically geared toward accounting. Don't forget about expanding your recruitment channels to community colleges and universities. Also, keep in mind that potential employees are looking for jobs in the same places they're looking up reviews of your firm.

3. Setting a timeline for the interview process.

Establish clear expectations from the start by setting an application deadline and communicating the timeline—and steps—for hiring. Don't let qualified applicants dangle during the interview process.

4. Treating the interview as a conversation.

Interviews are nerve-wracking enough on both sides. Come prepared with a few questions, but let the interview flow like a conversation. This is the best way to determine a good culture fit.

Step 2: Offer flexible schedules

Many workers today are looking for work-life balance and flexibility in their schedules. You'll be hard-pressed to find anyone who wants to work 80-hour work weeks during busy season and endure the stress that can come with working at a traditional accounting firm.

Offer options for remote work, even if it's a few days a week. This increases your candidate pool and helps you expand your job search outside city—and even state—boundaries.

Consider offering flexible schedules instead of the rigid 9-to-5 workday. This allows for the freedom many employees crave when it comes to getting their work done and balancing their home life.

37% of accounting professionals intend to leave their current employer in the next 12 months because they don't have flexibility in determining *when* to do their work.

Source: Talent Retention in the U.S. Accounting and Finance Profession

Step 3: Up your benefits game

In addition to modernizing your hiring process and offering flexible work options, consider the benefits you currently offer. You may already include stock options or healthcare, but consider incorporating some of these benefits:

- Competitive pay, 401(k) matching and retirement packages.
- Additional sick days, mental health days, and/or personal days in addition to PTO/vacation time.
- Meal allowance or gym memberships.
- Leadership development opportunities that benefit the employee and your firm.

Step 4: Onboard all new employees

Your firm's onboarding process plays a big part in employee engagement right from the beginning. Creating a staff onboarding team can help a new staff member transition into their new job seamlessly and easily. Your onboarding team should have the following characteristics and skills:

- Attention to detail and highly organized.
- Easygoing and helpful.
- Communicative and responsive.
- Skilled at training and delivering instruction.

They'll be in charge of making sure the new hire has everything they need to perform their job and help your firm succeed.

Next, implement a structured onboarding plan for every employee you hire, and design a 30-60-90 day plan that creates clear objectives and targets for each position within your firm.

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Your onboarding plan should include the following for each 30-day set:

- Focus
- Priorities
- Learning goals
- Performance goals (except for the first 30 days)
- Personal goals

Check in at least every 30 days to make sure your new team member stays on track with their goals. Once they've reached their 90-day mark, reassess and schedule your one-on-one meetings so they stay engaged.

Step 5: Create a career path for advancement

It may surprise you that **80% of professionals** who intend to leave their employer in the next six months didn't expect to advance in their current organization. This is why providing an intentional career path for each position in your firm is so important. Use the outline below as a starting point.

1. Conduct staff reviews.

Meet with each staff member to determine the following:

a. What are their strengths?
b. What are their interests?
c. What is their desired career path?

2. Create a staff growth plan.

Determine if each staff member wants to grow in their role or move to another role:

a. What skills do they need to develop in their current role?
b. What skills do they need to move to another role in the firm?

If you have staff members interested in expanding their knowledge and expertise, help them with their professional development and obtain training opportunities for them. Set aside a continuing education budget and encourage your team to use it. The goal is to help them consistently develop goals, which keeps them engaged and excited about their role.

Improving culture—even during busy season

Making improvements to your firm's culture may seem out of place during tax season, but you can take small steps every day to ensure your team is happy, no matter the time of year. Before you do anything else, appoint a Team Culture Leader—someone who takes responsibility for your firm's culture and facilitates firm events and retreats. Then, use the Academy's proven approach to improving culture as the guide that will help you build a healthy and sustainable work environment, ensure your team is working at optimal effectiveness and reduce the staffing challenges plaguing the profession.

> **Improving your firm's culture doesn't just happen when you snap your fingers—it takes consistent time and effort. Start using the building blocks of Smart Team Management and focus on what matters most—your people.**



Want to learn more?

Contact us today at
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