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Darren Root • Aug. 09, 2011

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NEXT GENERATION

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This year, I celebrated my 50th birthday ... and it was quite a turning point. It made me stop and reflect on my career and the vast changes I've observed and experienced professionally and personally. During this period of reflection, I was overcome with a powerful drive to change the public's perception of the tax and accounting profession. Media across the board does a great job of perpetuating the image of the traditional accountant as a boring, nerdy number cruncher in a bad suit. That simply

isn't who we are. They know it; I know it; and I hope you know it, too. We are tech-

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learned, it's that accountants are some of the hardest working professionals I know. And today, they are also evolving as some of the coolest and most creative.

The Elements of a Next Generation Accounting Firm

I started my accounting career at Deloitte Haskins & Sells. A few years into my career, I decided to go off on my own and launch an accounting practice. From the start, I never had the desire to operate a traditional firm, based on the standard model within the profession. I wanted something different, something new. A firm that, looking forward, my kids would be proud to work in and, at some point, take over.

With my kids now grown, my wife and I are soon to be empty nesters. The day is also coming that my children may join me in running Root & Associates. My oldest son is finishing up his bachelor's degree in accounting at Indiana University (IU), and my daughter, already having obtained her undergraduate degree in accounting, is now wrapping up her MBA at IU. For the past 15 years, I've focused on building a business that my children would want to be a part of someday. The goals I set for myself were lofty, but obtainable. I wanted to run a firm that:

- **Enabled a good life-work balance** — Too many accounting professionals are totally consumed as technicians in their practices, absent from their families a good deal of the time.
- **Allowed me to work on my terms** — I wanted to work my way and from a place of my choosing.

- **Supported a professional yet comfortable environment** — I wanted to be part of

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they couldn't do without.

The more firm leaders I meet in my travels, the more I see that many want the same things. And more and more, I'm witnessing professionals putting in the work to change their firms into something spectacular — a place where people want to work, where clients are with you for the long haul, and where they just feel good about what they've built.

I firmly believe that accounting is one of the best, if not *the* best, professions ... which is why I feel so strongly about building a firm that is structured for the next generation of professionals. Here's my mantra: *By building our businesses right today, we are securing the future of the next generation of accounting professionals.*

Life-work balance, a happy staff, loyal clients, increased profits — these are all obtainable goals, but require work to achieve. Those building next-generation firms have a solid grasp on niche strategies, advanced technologies, workflow and branding. The following are the components required of a next-generation-ready firm:

- **A clearly defined niche strategy**, enabling firms to specialize and become experts within certain niches, and ultimately serve the type(s) of client they want to serve.
- **A masterfully developed internal workflow system**, offering a model that supports ease of communication and a streamlined, paperless workflow for both

staff and clients. This includes the following elements:

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...and, through branding strategy, showing mine to always put them best foot forward. Every interaction (email, letter, outdoor signage, interior office, business card, invoice, website, etc.) should represent a strong, professional brand image. We live in a service-oriented, brand-savvy society, and if the purchasing habits of clients and prospects are anything like mine, then they are buying based on the feeling they get when they see or interact with your firm. Make sure that feeling is a positive one!

The Next Generation of Accounting Professionals

So is it possible to build a firm that encompasses all of these elements and achieves the laundry list of goals outlined? Absolutely, yes! Is it easy? Absolutely not. It takes work and perseverance ... and an ongoing commitment throughout the life of your business. However, it does get easier over time. Once the machine is built, it's simply a matter of maintaining.

There are professionals out there doing it with great success. They are building firms that operate at maximum efficiency, emit a powerful brand presence, and are attracting the younger generation of professionals. One such practitioner, Jason Blumer, CPA.CITP, has become of friend of mine and has just written his first column for this issue. Jason is younger than me by about 10 years, but we have many similarities. Jason's father practiced before him, so he too grew up in the business. He also has a burning desire to make the profession a place where young professionals want to work — and earn the *props* it so deserves. Jason is quirky, cool and runs his practice on his own terms.

After getting to know Jason and maintaining a steady watch on the younger

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To prove my hypothesis, I sat down with Jason (a Gen X'er) and my 23-year-old accounting-bound daughter, Meredith Root (a Millennial), to explore their perceptions of the profession and what they are looking to achieve.

The Interviews

Darren: *So guys, what was it like growing up in the accounting profession?*

Meredith: I gained unique insight that definitely shaped the way I view the profession and my personal goals within it. I learned there is more to it than the stereotypical accountant and a daunting tax season — like becoming an advisor to clients, maintaining a brand and staying current on technology. I feel lucky to have grown up in the profession. Having this inside knowledge better prepares me for what to expect and how to resolve issues before I enter.

Jason: I thought accountants were geeks when I was growing up. My dad was an accountant, and my exposure to the profession left me thinking it was pretty boring. I was a creative guy — playing in rock bands, doing stand up in elementary school (which got me sent out in the hall), and excelling in art in high school. Then, halfway through college, I realized I had to pick a major. Because my Dad was an accountant, I picked that major by default. I figured I would be “geek boy” by day and “creative boy” by night. As it turned out, I get to be creative all the time.

Darren: *What was it that enticed you to get an accounting degree and to consider the profession?*

Meredith: I always said I wouldn't go into accounting ... until I started college. In my

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and that's why I love what I do.

Darren: *What do you think needs to change within the profession in order to get young people excited about owning or working in a firm?*

Meredith: I see two major factors that make my generation hesitant about working in a small firm. First, most have little to no exposure to the small firm. In school, we are mainly exposed to the Big 4 and regional firms. Second, work/life balance is a perceived issue. My generation grew up with busy parents, and that is something we would like to change.

Jason: They need to be informed that this profession is one of the most creative, and can offer a career that has great impact on so many people. Being part of the accounting profession has profoundly impacted me, my clients and my staff. There is now an openness to change that allows for creativity in how we operate our businesses and serve our clients. Young professionals need current thought leaders to debunk the myths that the profession is old, geeky and works in a uniform manner. They need to understand that this profession is ever changing; that technology allows us to become global knowledge workers; and that you can make your firm look the way you want.

Darren: *How important is branding to you and being part of a quality brand?*

Meredith: Branding is huge to me. In a world with so many choices, we tend to buy based on what we know about a brand or how a brand makes us feel. This is a topic that is pushed quite a bit in school, and one my dad takes very seriously in his firm.

The fact is that most prospects don't know what makes an accountant "good," which

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should include serious differentiation. Anything else is just a sea of sameness.

Darren: *If you could create the firm of your dreams what would it look like?*

Meredith: My ideal firm is innovative and consistently utilizing leading technology. My firm's website would be a primary resource for clients to communicate and where transactions are exchanged in real time via portals. I would have a lean staff to keep my small firm agile, while being well positioned for growth through the use of efficient processes and technology. Ideally, the processes within my firm would be streamlined and intuitive so the firm could run without me being there, which would also enable me to spend ample time with family.

Jason: No office, no paper, no phone and no shoes.

Darren: *What have you learned from your father that has shaped your ideas about a career in accounting?*

Meredith: One of the most important things I learned from my dad is that if you love what you do and you are passionate about your career, it doesn't feel like work.

Jason: My father was a hard worker. I learned my work ethic from him. Those who are unwilling or don't have the time to commit to the hard work of running a firm should NOT go down this road. It's no easy road (though it does freakin' rock). I also learned that running your own firm is a commitment that must be made by your entire family, including those treasured vacations away from the office as well as those times that you are working around the clock.

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public accounting allows you to do that more than any other profession. I never thought I would say that, but now I know it's true. It's exciting to live in this space. Public accountants are the bomb!

We are All in This Together

I don't know about you, but what I get from these responses is a lot of common goals and aspirations across generations. So if we are all working toward similar goals, it makes sense that firms need to give appropriate attention to building a firm of next-generation status in order to compete effectively and attract the most qualified of candidates getting ready to enter the profession.

Remember, we are all in this together—all of you working in the profession now ... and the new generation getting ready to move up.

Technology

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