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**Jim Boomer** • May. 12, 2014

Quick! Think of an innovative business. Apple? Twitter? Google? Dropbox? eBay? Absolutely.

But your list probably didn't include many (if any) accounting groups, right? However, many firms in our profession are committed to innovation, innovation that leads to a new kind of success. Innovation and growth are directly linked, and it should be no surprise that the most successful accounting firms commit focus, time, energy, and money to innovative services, processes, and technology. These firms focus on what can be done tomorrow—rather than what must be done to pay the bills today.

## **The Epiphany Fallacy**

Innovation is not necessarily a momentary epiphany that comes to a venerable individual as many think, although it certainly can be. More likely, however, innovation represents a process of connecting the dots based on hindsight, insight, and foresight. In a 2005 Stanford speech, Steve Jobs offered, "You can't connect the dots looking forward." His point was, I believe, that if we think about innovation only in terms of the future, always looking forward for ideas, hoping they show themselves tomorrow, we miss a huge body of knowledge going forth from where we have been and where we are today.

My take is that we should be focusing on real innovation, embracing and entertaining substantive ideas that come from piecing together knowledge and issues

from our past, our present, and our hoped-for future to create something new and

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backward-looking plan might not be the best recipe for success in this economy, not the best path for growth and for moving your firm forward. Let me then suggest some simple steps to steer more focus to innovation:

- Dedicate time and money to innovation
- Communicate (with words and actions) that it is ok to fail, to stumble
- Separate innovation initiatives from maintenance projects

## **The Innovative Team**

Just as innovation is not about an unexplained revelation that comes to us, it's also not about thinking in isolation. The most innovative ideas typically come in a collaborative environment made up of several people, of self, of team, of peers, and of experts. The thinking of the group is almost always more powerful and impactful than the thinking of any single individual. Darwin John, former FBI CIO, once said, "If two of you have the same opinion, then we don't need one of you." This comment represents an extreme, but it does highlight that real innovation requires multiple perspectives. Intersectional innovation is a term that describes collaboration between multiple disciplines to solve a problem or improve a solution.

In CPA firms, the two areas that have had the biggest impact on innovation over the last 20 years are firm administration and technology. These functions see the firm's operations from a macro level and are in the best position to break down silos and bring together functional areas for collaboration and innovative thinking.

## **CPA Innovations**

While CPA firms probably won't always develop innovations that rival the likes of the iPhone/iPad or Google Glass in terms of hype, there is a long list of innovations that have transformed our profession over the years. And the firms that have been

leaders in these areas have recognized an advantage and greater success. Here are just

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Getting intentional—being deliberate and willful—about promoting innovative thinking is the first step. So how do you do this? Several of the most innovative firms we work with have set up a formal avenue to collect new ideas from all areas of their firms, and they have rewarded individuals who contribute the “best ideas.” We do this at Boomer Consulting, Inc. every month, we offer a contest wherein our team members submit new thinking on how we can improve processes, systems, and services. Each month, we review submissions and select a winner who is recognized and receives a nice stipend and formal recognition. This system, a simple yet elegant one, has created a pipeline of new thinking, and several of the submitted ideas have already been implemented. The biggest challenge we have is keeping up with all the great ideas, which is a fabulous problem to have.

The next time you think you can't be innovative because “we're a CPA firm,” think again. And then again. Leadership and a willingness to manage risk are a must. Take an intentional approach, and your firm can add “innovation” to your list of descriptors.

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