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To be fair, it is very difficult for even the smartest people to foresee cataclysmic changes. CPA firms have had a good, long run. To keep this going, we need to constantly re-invent and re-engineer ourselves. Staying the same is a recipe for disaster.

The CPA industry is operating an outdated model

Here are examples. The focus below is mostly the typical local firm with annual revenues of under \$15M.

How staff see CPA firms. Up until the relevancy issue surfaced, the words ‘boring, nerdy, uncool, long hours, tax season, work-life balance’ and ‘low use of technology’ were thought to explain the CPA industry’s labor shortage. But we need to dig deeper. The issues below further deter young people from seeing accounting as a lifelong career choice.

Being a trusted advisor instead of just an accountant. Blog reader Richard M. wrote me: “If the profession continues to generate most of its revenue from selling what consumers merely need (compliance services) instead of providing what they really want (all kinds of future-looking services and planning applications), then it’s clear that CPA firms are becoming less relevant.”

Firms run like factories. ‘Get the clients in and get the work out so we can quickly move on to the next client project, and the next...’ Partners are too busy pumping out prodigious amounts of billable hours, leaving precious little time for firm management, strategic planning and especially, training and developing their staff. Instead of partners averaging 1,200-1,500 annual billable hours, this number should be closer to the 500-800 range.

Over-emphasized importance of ownership. At most CPA firms, staff feel that to

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Growth. Held back by (1) focus on individual practice development efforts vs. firmwide marketing initiatives, (2) firms continuing to offer the same services, failing to come up with, in Gale Crosley's words "shiny new stuff," (3) failure to take advantage of the global economy and (4) firms failing to differentiate themselves from the competition.

Tax season. Hardliners say that the tax season is a fact of life. If you can't handle it, stay out of accounting. But the tax season is a huge downer for the staff, and even for many partners who will never publicly admit this. Progressive firms are devising ways to make the tax season less onerous on staff. Example: Doing away with mandatory Saturdays in the tax season.

Issuance of audit reports. Tim Christen, MP of Baker Tilly recently said: Do we really think public companies will continue to accept audit reports that are issued 120 days after the period reporting on?

So, is the CPA industry *really* in danger of becoming irrelevant?

Skeptics will say the relevancy issue is nothing more than some desperate people creating new sound bites.

Progressives understand that most local CPA firms are operating with an outdated operating model and that it's *possible* this may make our profession less relevant in future generations.

Who's "right?" Stay tuned.

The first step in engaging your staff is by making them understand the importance of their role in the firm. Firms rely on our book [How CPA Firms Work: The Business of Public Accounting](#) as an onboarding tool for new hires.

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