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René Lacerte and executives of a dozen other software companies.

**Dave McClure** • Nov. 07, 2013

From the [Bleeding Edge blog](#)

If there were ever a Hall of Fame for accounting software executives, I would not be inducted. That honor will be reserved for guys like Scott Cook of Intuit, Clyde Drake, René Lacerte and executives of a dozen other software companies. [Editor's note: CPA Practice Advisor has a [Tax & Accounting Hall of Fame](#) for practitioners and thoughtleaders affecting the profession.]

But I can tell you that I have been in this business for a very long time, and seen the shifts of time, development and trends among CPA firms and their software vendors.

Which is why I can tell you that the growing emphasis on practice management is a big thing.

Back when people started using the term, it seemed like just another catch-phrase. When our own Executive Editor, Darren Root, changed the name of this publication to the "CPA Practice Advisor," more than a few members of staff wondered if he knew what he was doing. But the truth is, he and the others were tracking a trend that us people in the trenches had not yet seen. Practice Management.

Remember, we were coming off of generations that focused on the client, not the firm. Sure, there were a few forays into internal firm managements. Client Relationship Management (CRM) came and went. Analytics, which is the mathematical equivalent of studying tea leaves to determine how well the firm is surviving and where inefficiencies might be...came and went. So did office automation, as a discipline in its own right.

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There are six starting points:

- **Understand that Practice Management is not software.** Practice Management software is just a tool we use to create ways to better practice the profession of accounting within our own firm. It is everything we do each day, drawing on the best ideas of our peers and other firms to do what we do in the very best and most profitable way we can. Profitable, because an accounting firm that does not make a strong profit is useless to a client who also wants to make a strong profit.
- **Keep your eye on the ball.** Distractions are everywhere, but Practice Management demands attention by the partners and staff alike. It's about moving to the Cloud, using tablets, communicating more effectively, building better relationships and keeping pace with the needs of the client. It is about dotting the "I's" and crossing the "t's," with the right engagement letters and reports to clients. And for that, every firm will need to be partnered with a software firm that understands the vision and contributes to it. Accounting isn't about audits and tax forms any longer, it is about excellence in performance and service.
- **Hire more women in management roles.** Women bring to the firm superior communication skills, a more practical way of looking at workflow, a strong affinity for teamwork, and some excellent presentation skills. It's not a boys versus girls thing, it is just a recognition that each of the sexes has its own strengths. And at the partner level in many firms, women are under-represented. That needs to change if firms are to survive and thrive.
- **Get to know your clients.** Really know them, as in sending notes on anniversaries, and knowing when their kids are graduating, and asking about their grandchildren. For years, when I was in business, the firm of Gelman, Rosenberg and Freedman in Maryland were my accountants. Were they the best accounting firm in the state? You bet, even though I really never compared them to any other. It was because they always had the solutions we needed. Always had time to see us. Even when they passed us on to a younger generation of new CPAs, I would get a

call from a partner to have lunch – just to talk about how we were and what we

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technology is changing so fast that accountants who do not keep pace with technology, their own firm will not be able to give good counsel to their clients. From document management and the Cloud to 24/7 access and FaceBook, you have to keep pace to survive.

- **Remember what accounting is all about.** It is not about the numbers, or the forms, or even compliance. These are merely the benchmarks we use to keep score. True accounting is about understanding business. It is about sharing the vision of our clients. It is about being there when our clients need a solution, with at the very least a place to start.

It is about managing the practice.

John Graves, the former Technical Director of the AICPA and my first boss in the accounting industry, used to tell a story about his father, also a CPA. A client would come to his father with a vexing problem. As he listened to the client and the problem, acting for all the world as though there were no more important problem to come his way that month, Mr. Graves the senior would begin rooting around in the center drawer of his big wooden desk.

He would after a time remove a cigarette from a pack there and start to answer the client, then pause to delve back into the drawer in search of a match. Soon, he would produce a large wooden kitchen match, and looking around, find a surface on which to strike it. He struck it, and lifted it up to light the cigarette...and the match would go out. This necessitated another trek into the desk drawer, another match, another light.

Finally, he would light the cigarette, lean back in his leather office chair, and blow a gentle stream of smoke toward the ceiling. The ritual would take five minutes or more, all during which CPA Graves was pondering the problem. The ritual gave him

time to think it through, and formulate his initial response. Then, and only then, he

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