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FIRM MANAGEMENT

Every Action Matters

For every decision we make, for every time we chose A over B, our outcome is fixed. In order to choose A we opted to not chose B. The equal and opposite reaction is the result of the decisions we make and what we didn't do.

Garrett Wagner, CPA • Nov. 11, 2021



“For Every action, there is an equal and opposite reaction” this famous quote from 1687 is part of Sir Isaac Newton laws of motion that are still today seen as the corner stone of our understanding of modern physics and how the world works. What makes this law so interesting is that it applies both to our environment as well as

many of our decisions. We saw a clear example of this over the past two years as we all dealt with once in a lifetime changes, choices, and equal and opposite reactions.

For every decision we make, for every time we chose A over B, our outcome is fixed. In order to choose A we opted to not chose B. The equal and opposite reaction is the result of the decisions we make and what we didn't do.

Be it decisions we make personally or at the organizational level, we are often faced with one of two choices. Do we focus on A, the short term, what needs to get done today (emergencies) or do we focus on B, the long term, and plan for the future? The more time we spend dealing with emergencies, the less time we have to plan for the future and plan to prevent future emergencies. Long term success is created when we spend planning for success.

Over the past two years, people and organizations of all sizes focused on the short term, after all in a time of chaos, our focus is narrowed to getting through each day. What this means is that we chose not to focus on the long term. After all what choice did we have?

The equal and opposite reaction is now coming to the surface. What we are seeing both at the individual level and organizations of all sizes are all those items we put off from option B are now resulting in negative consequences that we did not think about before. You have probably began to see these effects around you, a lack of planning, training, or preparedness are piling up.

The most common opposite reaction we are seeing from firms when they picked option A, is they greatly reduced the amount of new staff training done over the past two years and now are seeing all those new staff accountants being far less effective than normal. Too often these firms are placing the blame on the new staff failing to understand the reaction to the choice the firm made.

So given this, let's explore our decision making process and how to move forward. Surely choosing option A wasn't all that bad after all was it?

Option A

By choosing this option, most of us made the decision to focus on the challenges that were in front of us each and every day. This meant dealing with the changing landscape, different rules about where and when we could work, and a barrage of legal and legislative changes on the federal and state level.

After all, if we failed to get any work done over the past two years and failed to stay in business, all those pesky long term issues would not have mattered anyways.

On the positive side, by focusing on the short term you were able to get all your work done and most importantly and for many the first time ever, you were able to quickly adapt to the new challenges that came your way each and every day. Sometimes it is important to think about the positives and not just the negatives. Acknowledge all the positive changes you have made, how quickly you adapted, and most importantly don't go back. But as we said at the beginning you are always left with an opposite reaction.

Option B

For option B, this is our choice to spend time each day focusing on the future. Steven Covey famously noted in his book *The 7 Habits of Highly Effective People*, that by focusing on the long term with your time on a daily basis, your effectiveness would increase dramatically. Your crises and problems would shrink to manageable proportions because you would be thinking ahead and doing the preventive things that keep situations from developing into crises in the first place.

If we are only focused on the next emergency or deadline we never make time to plan for the future and creating lasting change. Given we already made our choice, the real question here is what do we do now.

Next step:

While we cannot change the past, what we can do is learn from the past and correct our behavior today. For all those organizations and firms who picked option A and as a result provided less staff training over the past two years, they now need an equal and opposite reaction, more training.

No matter what negative consequence you are seeing around you the solution is the same, a shift to focus on the long term.

We need to spend more time on the long term, growth, vision, and training. We need to do things each day to help us get ready for the future, get ready for the next deadline and get ready for the next disruption to occur.

Going back to the positive aspect of picking A, we learned to adapt and evolve. We can now continue to use those skills and spend more time planning for the future, making up for time lost doing this over the past and charting a path to success.

The time is now to focus on future, so that the reaction to your decision is success and not failure.

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