

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

## FIRM MANAGEMENT

# Process Issues with a People Impact

Negative attitudes, poor morale and refusal to follow firm processes impede progress. If the prevailing mindset across the firm, especially amongst leadership, is ...

Arianna Campbell • Aug. 05, 2022



By now, your firm is likely feeling the effects of the Great Resignation (or the [Great Reshuffle](#)). Many baby boomers are retiring, and millennials and Gen Zers are looking for jobs with more flexibility and work/life balance. While every industry is being impacted, the accounting profession faces a dire talent shortage when the need for solid talent is steadily increasing.

Increasing compensation, focusing on employee well-being, and filling gaps with outsourcing and automation are strategies for overcoming the talent shortage. But have you considered how inefficient processes are impacting your talent?

Let's look at nine wasteful activities your firm needs to address to improve your odds of attracting and retaining top talent.

## **Defects**

Defects include mistakes like transposing numbers, entering incorrect information or not following procedures and quality guidelines. When people enter the wrong information and get the wrong product back, it takes a morale toll.

Using technology to auto-populate trial balances, financial statements, tax returns and other elements of client engagements reduces such errors.

## **Overproduction**

Overproduction happens when people do more work than necessary. Examples include spending significant time on tax returns that will be extended anyway or prioritizing the wrong projects.

Overproduction usually leads to people picking up and putting down work repeatedly, duplication of efforts and frustration.

## **Waiting**

Waiting is any non-value-added time during which your team members aren't performing value-added productive work. This could involve waiting on client information or waiting on reviewers.

When people must stop work to wait on a client or things sent to reviewers take forever to come back, people have to waste time relearning or researching where they were when they last worked on the project.

This might take a tiny amount of time on an individual project level, but it wastes a lot of time collectively.

## **Not utilizing people's talents**

We waste resources when higher-skilled people perform lower-skilled work. This might happen due to poor training, hoarding work or not leveraging technology.

Whatever the root causes, you'll struggle to retain talent when people want to grow but are forced to do the same low-level tasks repeatedly.

## **Transporting**

Transporting is waste from passing around paper files and information from person to person instead of utilizing technology to automate workflows and share information.

It's 2022—new college graduates don't want to step back in time 20 years to deal with piles of paperwork when they start a new job. That misalignment with everyday life will send them to competitors who invest in modern tech.

## **Inventory**

Inventory sounds like terminology for the retail industry, but it also applies to a firm's client engagements. Work-in-process and backlogs in email inboxes create bottlenecks and make it tough to get client engagements across the finish line.

Being pulled in a dozen different directions and dealing with competing priorities due to misalignment at the partner and manager level on what needs to be done and when creates stale inventory. This also negatively impacts the firm because that's how we get paid.

## **Motion**

Motion is the result of going on scavenger hunts for information. People waste time and effort searching through poorly named digital files or digging through poorly organized or overfilled physical files.

All of this leads to wasted time people could spend doing the work instead of searching.

## **Excess Processing**

Excess processing is doing more work than the client values or is willing to pay for. Examples include over-auditing or navigating multiple personal preferences of partners.

Spending time managing how people do the work takes a toll because it puts undue pressure on team members to keep it straight and compounds waste.

## **Attitude**

Negative attitudes, poor morale and refusal to follow firm processes impede progress. If the prevailing mindset across the firm, especially amongst leadership, is “this is how we’ve always done it,” you won’t be able to keep people.

People aren’t interested in being in a firm where they aren’t growing, so you need to cultivate a growth mindset.

Do any of these wasteful activities sound familiar? If so, they’re a big part of why your firm is having trouble attracting and retaining talent. Each of these wasteful activities has a people impact, so solve your process issues and you’ll be well on the way to solving your people issues.

Is your firm ready to stop wasting time on inconsistent and bloated processes?

Advisory • Firm Management • Boomer Consulting • Article

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2022 Firmworks, LLC. All rights reserved