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By Randy Crabtree, CPA.

I've made plenty of missteps throughout my career, but I did do one smart thing. After my stress-related stroke at age 51, I stepped away and took a serious look at what I was good at—and let go of anything else.

I didn't realize it at the time, but stepping away from day-to-day operations was one thing managing partners at most modern accounting firms do (see #5 below). Here are seven keys to becoming a modern CPA firm.

1. Ditch time tracking

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2. Become a virtual organization

Modern firms search from a nationwide talent pool to find the [best talent](#). Allowing team members to work anywhere they want can substantially boost their staff capabilities without having to pay for relocation.

3. Create upfront pricing/value billing

Modern firms are much more likely to use fixed-fee and subscription-based pricing than hourly billing. This allows them to project capacity upfront, which allows them to [hire adequately](#). Many modern firms sign up clients for annual [advisory](#) packages that include a set number of calls, plus email support and a certain number of reviews of different documents. It's all very transparent. These firms have different tiers of service that give clients access to networking groups at the higher end. They also have [outsourced accounting services](#) that are billed monthly. Value billing is based on the [value of the advice](#) you're giving. Take tax prep, for example. Our firm charges a percentage of savings generated for the client with a reasonable cap.

4. Be transparent

Everyone knows where they stand from a performance standpoint and where everyone else stands. At our firm, when we have our semi-annual, in-person gatherings, everyone gets a State of the Firm address. We're very open about what our revenues and profits are. But transparency is not just about the numbers; it's about vulnerability. The firm's leaders are not afraid to show their vulnerability—to admit they don't know all the answers—and to show empathy for others.

5. The managing partner works on managing the business, not serving your clients

With this approach, the managing partner can concentrate on strategic planning,

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anything from [social media and content marketing](#), to cloud computing, cold calling, and inside sales.

7. Focus on mental health

A key part of building a successful firm is taking good care of the people you work with. [Stress and burnout](#) are not the same, and no one in any profession should treat burnout as a badge of honor. It took me having a stroke nine years ago to see the light. Burnout in the CPA profession was a problem well before we got to the [pandemic](#). Helping clients navigate all the pandemic relief programs and related regulations only made it worse. I know many of you may be rolling your eyes, saying, "I'm an accountant. It is what it is." But I'm here to tell you it doesn't have to be that way.

Modern firms are taking steps to ditch the billable hour quotas and address signs of burnout early on. It's the right thing to do and ends up being good for business when you are able to retain good employees, and keep them fresh, motivated, and operating at a high level.

It's never too late to change

Taking care of your team, aligning fees with client outcomes, learning from your clients, having a real CEO in charge, and ditching archaic time tracking and hourly billing methods are just some of the ways modern accounting firms are changing our profession for the better.

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Randy Crabtree, CPA, co-founder and partner of [Tri-Merit Specialty Tax Professionals](#), is a widely followed author, lecturer and host of "The Unique CPA" podcast. Follow Randy on Twitter [@RCrabtreeCPA](#).

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