

CPA Practice Advisor

Today's Technology for Tomorrow's Firm

NOVEMBER 2021

VOLUME 31
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Furthering the Profession with

CPE

FROM THE TRENCHES:

Continuous Education to Meet Technology Changes

THE MILLENNIAL ADVISOR:

Every Action Matters

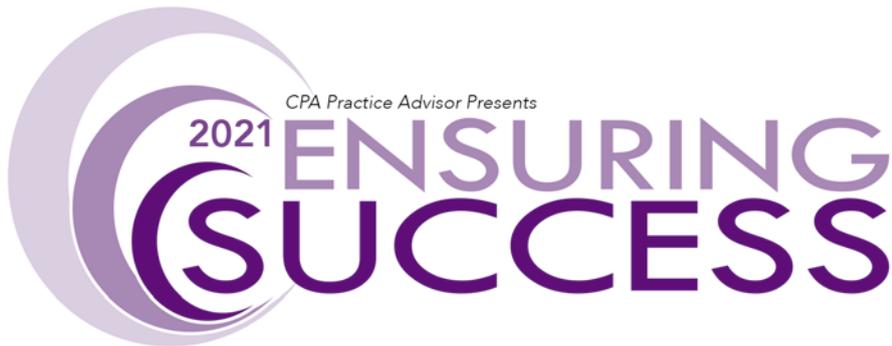
FEATURES:

How to Find the Right Buyer for an Accounting Firm

Modernizing Outdated Areas of Your Accounting Firm

Trust & Empowerment: Two Keys to Emerging Unscathed from the Great Resignation

Mark Your Calendar



12/8/2021
12/9/2021

PUBLIC ACCOUNTING'S PREMIER ANNUAL LIVE STREAMING EVENT!

DECEMBER 2021

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24 Christmas Eve	25 Christmas Day
26	27	28	29	30	31 New Year's Eve	

- ✓ This is the 8th Annual event
- ✓ No cost
- ✓ Earn the CPE credits you need at no charge
- ✓ Live streaming for two full days
- ✓ No travel
- ✓ No hotel
- ✓ No rushing from session to session

CPA Practice Advisor

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OUR FIRM IS EXPANDING TO BRING YOU MORE

Our clients are our top priority and we want to be more to you than just an accounting firm. That's why we recently [merged/acquired] with [firm name]. We now offer you more expertise in the [service line] area(s) to help you and/or your business to grow. Learn more about our recent change at [link to press release or video]. #Merger #Acquisition #Accounting

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- How 2020 Stopped SALY in Her Track



GAIL PERRY, CPA
Editor-in-Chief
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CPE for Free at Ensuring Success

WHERE WOULD HUMANITY be if we didn't share information? I've been pondering this a lot lately. Sometimes I encounter people who are protective of their knowledge. They want to own the information they know and not share it with others. Isn't it intriguing to think about how little we would have progressed from prehistoric times if we hadn't passed on the knowledge we've gained to others? We are all better, constantly, when we educate ourselves and share that knowledge with each other.

With that in mind, I'd like to take this opportunity to remind you that our annual live-streamed conference, Ensuring Success, is occurring on December 8 and 9. This is not like any other conference you've attended. It's two days of participating in live panel discussions with people from all walks of our profession. Panelists are chosen because they bring differing perspectives and thoughtfulness to the various topics we'll cover. You participate by communicating live with the speakers through a Q&A forum, and you don't have to travel anywhere to do so.

This isn't a conference full of PowerPoint presentations and people reading what is on their slides. This is a conference featuring intriguing discussion amongst people who are passionate about the topics of which they speak.

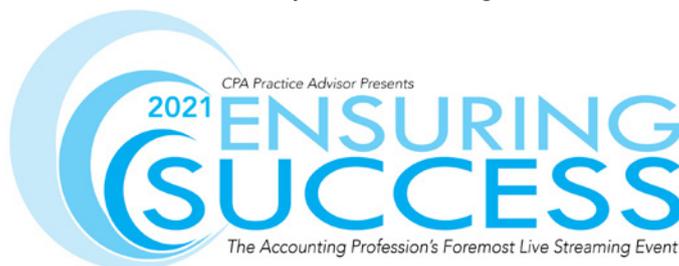
There is no charge to attend this conference. You observe, you learn, you collect CPE credits (and in some cases, IRS CE credit). There are seven sessions a day for two days. You attend those that interest you.

You can attend alone or with a group, from an office or from your home or anywhere else. The sessions will be recorded so you can watch them later if you are unable to attend live (however, no CPE/CE credit for watching the recordings).

If you work with others in the same company, this is the way we

recommend you attend, and you can do this in a group, if you're working together, or individually if you're working remotely:

- Set aside the two days and plan on attending the event



- Print out the agenda so everyone in your group can check off the sessions they want to attend
- Plan your lunch/snacks – set up food in your conference room if you're all going to watch together; provide remote workers with a carryout meal or a gift card for food delivery
- Discuss the topics together while

you're watching (use your group communication tool if you're working remotely) – make notes of the key points, the solutions you might be able to incorporate into your own practice; create a to-do list as you go for items you want to explore further when the conference has ended

- Send questions to the speakers using the Q&A provided on our platform (or you can even send questions in advance to info@ensuringsuccess.com)
- When you have finished the conference, download your CPE certificates, look forward to a new year of innovation and progress, and celebrate!

We look forward to having you join us on December 8 and 9, from 9 a.m. to 5 p.m. ET both days. Register at www.ensuringsuccess.com, and then return to that site on December 8 to start learning!

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Quick Networking Tips That You Can Implement Today

By Richard Roppa-Roberts

STUDIES SUGGEST THAT networking at events can gain companies up to 20% of their new customers, and a networking strategy can also be the key to finding new investors and partners that will help to grow your business.

Unfortunately, it isn't always easy for everyone to network successfully. Some of us are shy, we're not sure where to start, or we have not had great luck in the past.

Well...not only do you have to get used to the awkward initial introduction phase when you're trying to make connections with others, but you've got some serious time constraints to worry about too. I get it! We are all busy. But are we busy with the right things?

Building connections takes time. As every accounting business owner knows, time is money. So how do you ensure that you're still working on your networking strategy when you're strapped for time?

Try these strategies...

1 MAKE IT A DAILY HABIT
The more you practice networking as a daily habit, the more naturally

it will fit into your day. OK, so let's be honest – maybe weekly might work better for you than daily. Just start somewhere.

Rather than setting aside an hour a week where you can talk to people who could help your business grow, you **use five minutes each day**. Start the morning by sending emails to others online and connecting with your peers on social media platforms.

Put phone calls into your calendar and make the call. If networking is as much of a habit as brushing your teeth or your hair, then it starts to feel more natural.

What's more, when networking becomes a habit, it also emerges as something that you force yourself to make time for. You're less likely to make excuses that you don't have a moment to spare.

2 LEVERAGE NEW CONNECTIONS AND THE CONNECTIONS OF YOUR CONNECTIONS

Networking isn't just about building new relationships.

There's a good chance that you already have some quality people in your existing network who could help to introduce you to important figures in your space. A great place to start building your network is inside your current network of professional connections. **You might discover that your internal network has a lot more value to offer than you originally thought.**

3 AMPLIFY WHAT YOU ARE ALREADY DOING

If you already take part in social activities from time to time, why not use those as part of your networking strategy? If you regularly volunteer at nonprofit organizations, for example, then you can strike up conversations with people there. Season tickets to the Met? Talk to other regulars.

Even if you don't gain any valuable connections, making the time

to connect with others and practice your networking skills will benefit you in the long term. You can chat everywhere -- from your gym to the grocery store. I gained a client once by saying hi to a stranger in a local restaurant.

4 SCHEDULE EVENTS IN ADVANCE

In other words, put it on the calendar. Not in a "I hope to do this thing" list, put it on your calendar right now. If you do want to make time for a specific in-person networking event, then it's important to block it out so that nothing else "comes up".

To help improve your chances of regularly networking, attempt to attend at least one each month – even if it's an online event. Make a list of the events that you most want to attend and add them to your calendar, so you have plenty of time to prepare.

Be selective about the kind of events you choose. Ideally, you'll want to visit an environment where you can reach people who are going to benefit you and your business.

5 USE SOCIAL MEDIA

Yes, social media. Every accountant I have ever worked with starts out loathing the thought of something else to maintain, but once they get into it, things start to happen.

Social media is one of the most popular, convenient, and even (yes – annoying) ways to network in these days of Zoom meetings and working from home way more than we ever did before.

Make a little time each day to go

through your LinkedIn connections. Do the same with Facebook. The key to success with social media networking is ensuring that you don't spend all day there. Keep it social and remember that you are having conversations with people you already have conversations with – you are just shifting the narrative slightly.

DON'T LOOK BACK.

Because you weren't good at it or felt uncomfortable three years ago, does not mean it will not work today. Networking is vitally important for your success and that of your business.

I hope you keep these tips in mind. Keep it simple, and just put one foot in front of the other. Keep one other thing in mind, you will not gain ten new clients next week if you start today. Networking is about keeping up with things as they come up. It is about creating meaningful conversation, and not always about an elevator pitch.

Start here ---> connect with me on LinkedIn at [Linkedin.com/in/richardroppa](https://www.linkedin.com/in/richardroppa). Tell me something about you. Tell me what you are looking for? A human to work with you? A new app? A conference friend? I'll be sure to let you know how I can help. I'll do the same. ■

Richard Roppa-Roberts is the founder of Quasar Cowboy Consulting, where he helps accounting firms and their clients with technology, workflow, engagement process, sales, marketing, and long-term planning.





TECHNOLOGY

— A CRITICAL DRIVER OF M&A SYNERGY

By Geoff Harkness and Andre Prince

M&A VALUE CREATION is traditionally viewed through the lens of three synergies: revenue, cost and capital. Technology is a fourth key driver of synergy that is often underestimated. Traditionally viewed as a subset of cost synergies, technology synergies account for more than 50% of the total synergy value in most transactions.

VALUE CREATION – FIVE ENABLERS FOR TECHNOLOGY SYNERGY REALIZATION

To realize the potential value of technology synergies, considerable IT due diligence and post-transaction technology transformation must be undertaken. Key results from due diligence should serve as the core component of a post-acquisition 100-day plan. Technology transformation includes initiatives such as cloud application adoptions, ERP footprint rationalizations, process automation (Robotic Process Automation, Artificial Intelligence, Machine Learning), and IT operational model redesign to combine the two companies. Completing a current state assessment, future state design, and roadmap are integral to an effective technology transformation. This process can be complicated and costly if done incorrectly; however, we identified five key enablers that lead to successful technology synergy realization.

1. IT Operating Model
2. ERP & Business Applications
3. IT Infrastructure
4. Cybersecurity
5. Change Management

IT OPERATING MODEL

The IT operating model is the framework in which all IT systems, people, and processes are brought together to support the business. The IT integration process offers a unique opportunity to optimize the operating model with the future state in mind. Organizations should consider the following questions during due diligence and when developing the future state model:

- Who will lead the IT function post-merger?
- Which systems will be retained or sunset?
- Should technology applications be cloud-based or on-premises?
- How will the delivery of IT Services be structured (e.g., in-house, local, or outsourced provider)?
- What reliance will be placed on third-party vendors?
- How will data security be managed?
- How will software licensing and ownership of all technologies be impacted/managed?
- What will be the nature of Internet Protocol and its ownership?
- What is each significant operation's dependency on technology?
- What data privacy laws affect the target company?

Asking such questions will allow the company to streamline its operating model, reduce costs, and enable long-term growth.

ERP & BUSINESS APPLICATIONS

ERP systems in place before a transaction are typically not the best fit for the newly combined business. Therefore, companies should assess the existing systems' ability to support critical business processes in the future state. This is accomplished by gathering and prioritizing functional and technical requirements, identifying improvement opportunities and, if necessary, conducting a vendor selection. These steps are the most important components of the ERP integration process. Optimal ERP and reporting systems will drive value by improving processes for greater efficiency and effectiveness, achieving economies of scale, and incorporating controls to mitigate IT

risks. However, capturing this value is dependent on the effectiveness of an organization's change management efforts.

In addition, combining, relocating, or consolidating business applications is often necessary to drive value, and this typically entails performing an Office 365 tenant-to-tenant migration, which can be challenging. Consolidating IT systems quickly and efficiently is crucial, as delays can negatively impact business operations. Employees can become frustrated, and customers may depart. We recommend developing a tailored strategy for tenant migration that addresses an organization's unique environment and needs. Rationalizing software licenses can be addressed early to immediately reduce costs and drive ROI.

IT INFRASTRUCTURE

IT infrastructure is the platform on which all business applications are run; however, despite its critical role, it is often overlooked due to its broad definition. During the due diligence and integration planning phases, organizations must assess the current state of servers, networks, and cloud applications to ensure optimal capacity and capability to support the combined business. Increasing the number of servers or expanding the storage capacity may not be sufficient. A complete infrastructure redesign may be required to maximize the synergy value of the transaction and mitigate risks. Determining the extent and effectiveness of software can expose technical debt (e.g., glitches, security vulnerabilities, code-modifying issues, compliance concerns). Consequently, the IT infrastructure landscape should be examined holistically to determine ability to scale, integrate and maintain current operational demands. Achieving economies of scale and centralized IT management are often key value drivers with IT infrastructure.

CYBERSECURITY

Largely due to the COVID-19 pandemic, companies are investing in creating secure connections for the remote workforce. The rise in virtual work combined with the increased prevalence and sophistication of cyberattacks catapulted cybersecurity into a top priority for companies across industries. During due diligence and IT integration, firms must identify potential exposure risks among the current and acquired IT systems. Many activities pose exposure risk (e.g., reprovisioning servers, re-imaging workstations); therefore, a complete assessment and mitigation plan should be developed prior to integration. Determining the future state cyber posture and developing requirements for implementation are essential for sustainable success. Due to the ever-changing nature

of cybersecurity technology, firms should engage experts to assist with the assessment and implementation stages of the integration.

CHANGE MANAGEMENT

Change management spans all aspects of the IT integration process and can make-or-break the ROI on an acquisition. Integration processes may seem to be progressing smoothly; however, failure can result due to ineffective change management. This broad term involves the use of effective program management, standards and protocols, communication, employee engagement, and end-user training to guide the organization through the massive amount of change involved with an integration. Companies should establish a Program Management Office (PMO) and a Change Management Office with experienced profession-

als to lead these efforts. Establishing processes to solicit, address and incorporate employee feedback during the integration is key to fostering employee engagement and ongoing success. Many organizations underestimate the amount of resources and time needed and the maturity of the organization when preparing for the change and, subsequently, are negatively impacted when the company's health deteriorates.

DIRECT & INDIRECT IT SYNERGIES

Organizations that successfully navigate the five key enablers (IT Operating Model, ERP & Business Applications, IT Infrastructure, Cybersecurity, Change Management) will find themselves with two primary sources of IT synergy: direct and indirect. Direct IT synergies are the tangible cost-

reduction opportunities that result from the consolidation and optimization of the IT organization, processes, and systems. Indirect IT synergies encompass the plethora of opportunities from enhanced IT capability, including harnessing customer data for effective cross-sells, and enabling back-office process automation.

The opportunities for IT synergies are endless and are a major source of value. Focusing on direct and indirect IT synergies as a fourth driver of synergy value will result in companies experiencing elevated and more sustainable success. ■

Geoff Harkness is managing director, information management & technology solutions lead at MorganFranklin Consulting, a Vaco Company. Andre Prince is managing director, private equity services at MorganFranklin Consulting, a Vaco Company.

How to Better Manage and Track Your CPE Credits By Mary Girsch-Bock

Choosing the CPE courses that you wish to take annually is important. But what happens after you take those courses?

It may be easy to track credits that are reported in the same year, but many states require biannual or triannual reporting, making it even more important that CPE course documentation be managed properly. While there are some HR applications that can track continuing education credits, they may not be able to track all of the details for accurate reporting.

To start out on the right track, be sure to keep the following documentation from any CPE course you have taken. While this is easy enough for online classes, it starts to get a bit trickier when you're tasked with tracking hours spent creating a published article or book.

- **Original certificate of completion:** If you attend a group program, you must retain your original certificate of completion that was given to you at the end of the program. Same goes if you complete a self-study program. If you complete an online CPE course, you'll need to

have a copy of the online certificate of completion.

- **Official grade report or official transcript:** If you've completed CPE courses at an accredited university, you'll need to provide the transcript. If the course is a non-credit or continuing education course, you'll need to obtain a statement of completion from the instructor or a certificate of completion.
- **Original sponsor signed statement:** If you attend a program provided by a CPE sponsor, you'll need to have a sponsor signed statement for instruction credit.
- **Book or original publication:** If you've earned CPE credits by writing and publishing an article or writing a book, you'll need to have a copy of the original publication handy.
- **Course Development Details:** If you've presented at a conference, held a webinar or conference of your own, or taught a class, you'll need to retain the documentation from each course taught.

Don't just discard these items after a few years. NASBA currently recommends that you retain all CPE related documents for a minimum of five years.

WHAT TO DO WITH ALL OF THAT DOCUMENTATION

Keeping track of every CPE class you've attended, every article you've written, or every webinar you've sat in on can quickly get overwhelming if you don't have a system in place. If you're not tracking details in the cloud, you can scan the documents and store them electronically as well as in a file just to ensure that everything will be in order when the time comes to provide the details to your state accounting board.

Another option is to use a CPE tracking program such as MyCPE Manager, from the AICPA, a cloud-based tool that tracks jurisdictional requirements and helps track all completed courses. That will help you manage all of your courses, certificates, and credits in one application. Checkpoint Learning from Thomson Reuters also helps manage CPE compliance including tracking all credit categories using state requirements. There are several other applications on the market as well.

If you choose to track CPE credits manually, be sure that you keep track of the following information:

- **Sponsor's name**

- **Participant's name**
- **Program title**
- **Dates attended**
- **Location**
- **Type of program (onsite, online, webinar, etc.)**
- **Number of CPE hours earned**

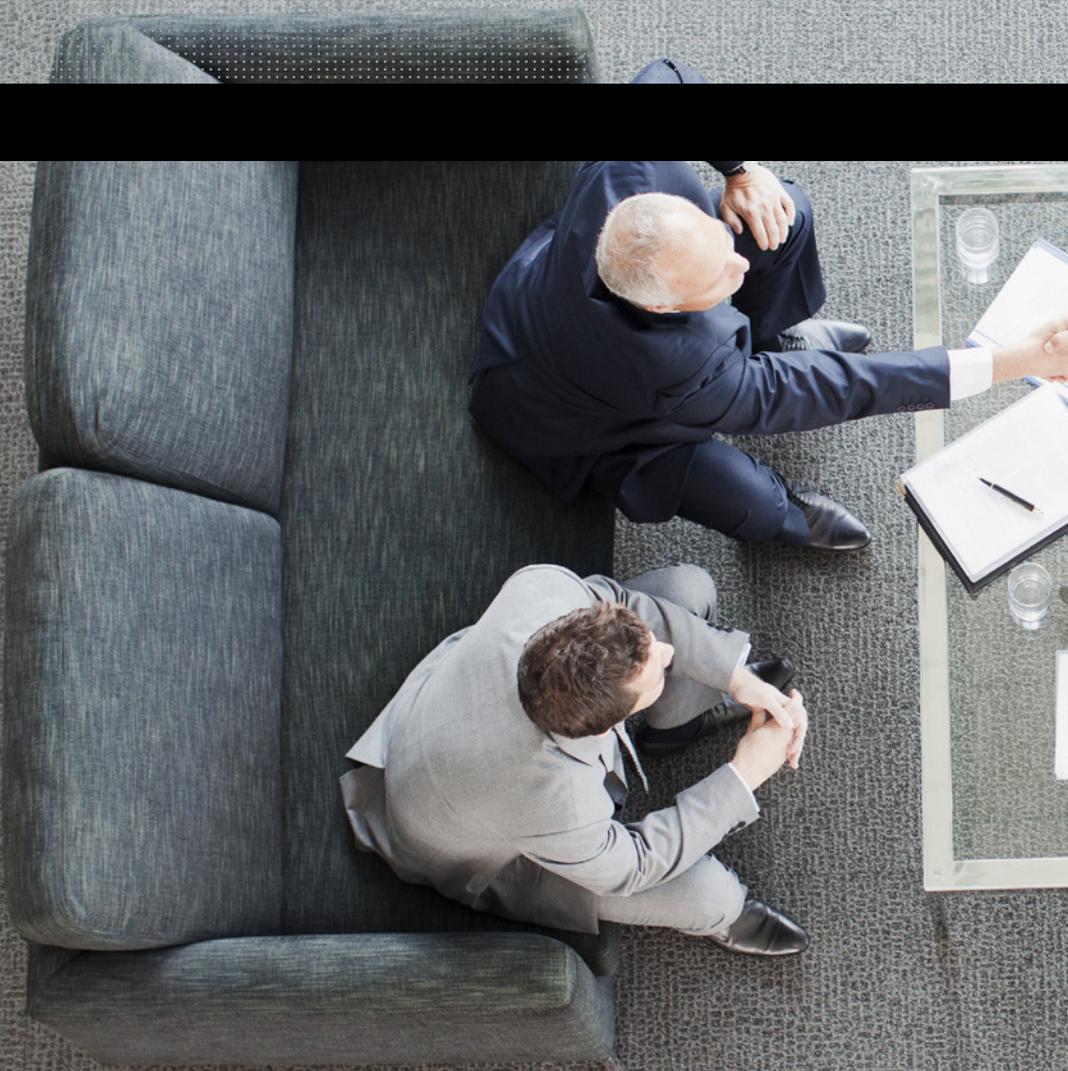
Dedicate a single place in your office to store all CPE related documents. With all of the paperwork typically found in a CPA's office, it's easy to misplace a certificate or proof of attendance. Having a dedicated location for all CPE information will allow you to easily find the appropriate paperwork when it's time to report CPE hours earned.

Whether you choose to track CPE credit hours manually, store information in the cloud, or use a third-party application, as a professional, it's important to have a system in place that will allow you to easily report credits when required.

While we're on the topic, you can register for *CPA Practice Advisor's* free online CPE conference, Ensuring Success, at www.ensuringsuccess.com. Professionals can earn up to 14 hours of CPE during two days, choosing the courses and times they want. There is absolutely no cost for attendees. ■

How to Find the Right Buyer for an Accounting Firm

By Joe Carufe



AS YOUR TAX and accounting firm's leader, you know what's best for your business, but when it comes time to sell your firm to another practice, how do you find the firm that makes the most sense?

Selling your firm isn't an easy process. You put in dedicated time, money, and emotion into building your business, so selling it can be a difficult decision. That's why you need to be confident with your buyer. You want your hard work, staff, and clients to be in good hands.

Over my years in the accounting profession, I've spoken with owners on both sides – key stakeholders going through the sale of their firm and those preparing to acquire another firm. From this experience, here are the four core tenants to explore to ensure you find the right buyers.

1 FIND THE RIGHT CULTURE FIT

It's important that you find a firm that shares your own values, so spend some time understanding the other firm's culture. Are they going to mix well with yours, or will it be like oil and water?

If it's the latter, the acquisition process may be difficult from the start. Your team members need to be excited about their future, so finding a firm that shares the same values, mission, and goals is critical in ensuring a smooth transition for both sides.

2 UNDERSTAND WHERE YOUR TEAM FITS AND SAFEGUARD THE TEAM

I've seen and heard more than a few practices sell into larger firms, and while the ownership team was able to successfully exit, it was done with remorse for what happened to the remaining members of the team.

Originally, the ownership team had hopes and dreams for their team members, but ultimately, the buying firm didn't share the same feelings – and you can't blame them. After all, the buying firm won't know your team members' dreams and aspirations if you don't share these with the buying firm.

On the other hand, if you are with a firm acquiring another firm, make sure you understand what your new team members are hoping for, and make sure that aligns with your future. If not, you risk attrition.

Whether you're the buyer or

seller, find out what value the acquisition will bring to your team members. You'll get peace of mind heading into the acquisition, and secure your team's enthusiasm and engagement around the whole process.

Next, understand where your people fit – not just today, but deep into the future. Do you see upward mobility as a result of the acquisition, or are there going to be certain divisions that will no longer be necessary? For example, if the buying firm already has a director of operations, where will your director of operations be deployed? What does the future look like for each of your team members?

Doing this research takes work, but it all goes back to doing right by your people, and from my experience, buying companies are looking for people to hire because the market is challenging right now. Hiring and training is difficult, which means that strong teams who



Here's an example of the rough difference between selling just your client base vs. a great firm with solid processes and people:

PURCHASE:
YOUR CLIENT BASE

ACQUISITION COST:
**0.75-1.2 x top-line
annual revenue**

PURCHASE:
**YOUR FIRM WITH STRONG
PROCESSES AND SOLID
PEOPLE**

ACQUISITION COST:
**1.5-2.5 x top-line
annual revenue**

are well-trained will drive up your value. If you have good processes and strong workflows, your value will bump up even more.

Here's an example of the rough difference between selling just your client base vs. a great firm with solid processes and people:

Purchase: Your client base

Acquisition cost: 0.75-1.2 x top-line annual revenue

Purchase: Your firm with strong processes and solid people

Acquisition cost: 1.5-2.5 x top-line annual revenue

Having a strong team and workflow makes a measurable difference, which is why a culture fit and defining the roles for your people should be important in your plans.

3 WHAT'S IN IT FOR YOUR CLIENTS?

The reality is, when you sell your firm, your clients may want to shop around for a different service provider, so take the time to

understand and inform your clients why this sale is good for your clients. Ask yourself:

- Are there going to be complementary services for your clients to receive a more holistic experience?
- Will the new buying firm provide a service that your firm doesn't offer to help fill the gaps for your clients' outcomes?

At the end of the day, your firm's people aren't just your employees; your clients are people, too, so make sure you're not rewarding their business and loyalty with a firm that isn't aligned with yours.

4 YOUR BOTTOM LINE

Ultimately, the price needs to be right. As I said previously, firms with solid processes and strong teams generally sell for more than the firms selling revenue only.

Think about it from the buying firm's perspective. If that firm has to spend time and money on sort-

ing out your processes and training your team, it's not just going to cost the firm that time and money. It will cause stress, and likely require the firm to divert resources away from growth activities, such as cross-selling.

Basically, if your firm runs smoothly, then it's worth buying. So it's in your best interests to ensure your processes are streamlined, your team is high-performing, and your metrics are tight.

When you can do this, two things will happen:

- Your firm's value will increase.
- You can afford to be picky about who you sell to, ensuring the right culture fit, upward mobility of your team, and better outcomes for your clients.

Don't just make a sale; make the right sale.

Finding the right firm to sell your accounting practice to isn't just a matter of finding the highest bidder.

Unless you want your years of hard work in building your client base, developing your team and processes to result in a quick sale that doesn't sit well with you as a person, then selling to the first bidder might not be the right path to take.

However, if you're interested in maximizing your sale price, while also safeguarding your firm's legacy, team's future, and client outcomes, then it's important to do your due diligence in setting your firm up to generate the best valuation. Yes, that's a bottom line, but it's dependent on your culture and people. ■

As director of services for Karbon, Joe Carufe's primary role is to ensure accounting firms have a successful onboarding to Karbon. With 10+ years in the accounting industry as an accounting firm owner and leader, Joe understands how to build scaling firms, the challenges firms face, and how to solve those challenges.

Modernizing Outdated Areas of Your Firm

— *What to Know* **By Shahram Zarshenas**

GIVEN THE RAPID speed at which companies are evolving, you may feel pressured to overhaul your practice and modernize it. Fortunately, it's not as complicated as it looks, thanks to CPA firm management solutions that are all available online. By going paperless, using project management for accountants, and looking for novel ways to handle your clients and staff, you'll be on the way to improving your processes and increasing your efficiency.



Modernizing your firm holds many benefits. For instance, when your clients have a consistently positive experience with your firm, it's more likely they'll return and continue paying for your services. They'll even share the top-notch service they received from you and recommend you to their network, expanding your client base even more. As the goal of modernizing is to optimize your processes and improve efficiency, your team and clients alike will benefit.

Here's what you need to know about modernizing outdated areas of your firm:

OPTIMIZING CLIENT COMMUNICATION

You've likely had to wait on your client to send you necessary documents at some point, consisting of seemingly endless emails, phone calls, and hours spent looking for papers that you've put away. As a result, you'll have to hit the pause button on your client's case each time you require more information from them, particularly when their schedule doesn't correspond to your office hours.

Fortunately, using software

designed specifically for CPA CRM or customer relationship management can do wonders for this aspect. You can securely send each other notes, requests, files, and questions, which means you won't risk having unanswered emails in your inbox. Using CRM software also comes with increased client transparency since your clients can track their case's progress even when you aren't constantly communicating updates. Additionally, with better proactive firm management technologies and processes, you can also increase your cash flow by offering online payment through the portal, ensuring punctual payments.

IMPROVING DOCUMENTATION STORAGE

Every accounting firm is familiar with wrangling dozens of tabs and multiple programs running at once on the computer. You probably have drawers full to the brim with paper clips and staplers, and your file cabinets are bursting to the seams with copies upon copies of documents. Not only is this a storage nightmare, but it's also expensive, as you'll keep having to purchase

paper to maintain your document storage system.

Luckily, modernizing this area will not only cut costs but improve efficiency. Going paperless is another benefit of using CPA firm management to store your documents on the cloud, which means you don't have to dive through stacks of paper to find the information you need. You can access this data any time, anywhere, as long as you and your team have a strong Internet connection. Since the cloud updates real-time, you don't have to worry about sifting through many versions of the same document; the latest version is always the one you'll access.

ENHANCING CLIENT INFORMATION MANAGEMENT

As someone running an accounting firm, you deal with a large amount of client information. It can be incredibly overwhelming at such high volumes, especially when you have to contact clients constantly to get their information. Fortunately, modernizing your firm involves improving this process and making it more efficient.

For example, you can use a

digital client organizer or a survey, which takes the tedious work out of collecting their information. You won't risk irritating your client by asking redundant or irrelevant questions, and you'll have only the most important data you need. With CPA firm management solutions, you can also maintain a current contact list containing only accurate and up-to-date information about your clients.

CONCLUSION

Upgrading your firm's technology stack will produce enormous benefits for your staff and clients. Apart from eliminating some expenses, thereby increasing your savings, you'll also be processing requests more expeditiously. By modernizing your firm, you'll be well on the way to becoming the most competitive practice in your area. ■

As the CEO of Financial Cents, Shahram Zarshenas spends his time helping accountants get visibility across their firm to prevent things from falling through the cracks. Prior to Financial Cents, he founded an investment banking firm that helped software companies scale and exit their business.



How to Create a Press Kit if Your Firm Acquires or Merges into Another

By Becky Livingston

ARE YOU ABOUT to make a big change to your firm by either acquiring another firm or by being acquired? Here is a press kit primer to help you organize the announcements needed for clients, vendors, financial institutions, and other interested parties. It's important to start this process well in advance of the actual announcement date; at least six to nine months, if possible.

YOUR CHECKLIST

This short checklist will help you organize your thoughts and identify team members for each action item. There are several tasks within each. So having a team to help with this process is helpful. There are accounting marketing consultants that can also assist with the heavy lifting. Reach out to the Association for Accounting Marketing [<https://www.accountingmarketing.org>] for a list of consultants.

- Create an activity checklist for your team.
- Develop a press release distribution or contact list with names, titles, company, email, phone number, and physical address.
- Identify the audiences that should receive notice about the change, e.g., vendors, clients, staff, financial institutions, business associates, and more.
- Write and record a 15- to 30-second video describing the change and why it's happening.
- Schedule photo shoots for promotional and marketing initiatives.

ACTIVITY LIST

There are a lot of moving parts to M&A initiatives. Here are ten elements to consider, but know there are dozens more that could be added to the list. To assist with that process, Hinge Marketing [<https://hingemarketing.com/library/article/the-ma-guide-for-professional-services-firms>] offers a detailed M&A checklist for Professional Services firms.

- Determine the name change and timeline; backup from there six to nine months.
- Consider branding updates, including logo, tag line, printed materials, conference signage, phone message talking points, telephone directory changes, etc.
- Create a new logo and tag line.
- Revise the website, update search engine optimization keywords and meta tags, refresh local business listings on Google, Bing, and industry websites, plus

social media account profiles and images.

- Combine and normalize CRM and newsletter data.
- Craft client communication with discussion points, letters to clients both pre- and post-merger or acquisition.
- Assemble a news release and implementation plan.
- Construct promotional marketing initiatives and advertising for at least the first six months post announcement.
- Identify cross-servicing strategies and marketing initiatives within key markets and niches.
- Share a client satisfaction survey at the six- or nine-month post-launch mark.

HOW TO WRITE AN EFFECTIVE M&A PRESS RELEASE

You've taken the steps to move your firm forward and are ready to announce it to the world. But what should you say? Fortunately, press release formats have not changed much in the past 30 years. You can search online for templates or create a custom format. In either case, here are a few common items to incorporate:

- Logo
- City
- Headline
- Dateline
- Contact Information, including company website, phone number, contact name, and email
- Company Details – name (old / new), niche, firm's missions, products / services,
- Quote from involved parties (one from each company)
- Boilerplate (about the companies)
- Here's an example of a recent accounting firm acquisition press release: <https://www.cpapractictheadvisor.com/21237851>

SOCIAL MEDIA

Keep in mind, social media is an extension of your firm's marketing initiatives and should be included

in the plan. Depending on the firm's personality, the announcement could be fun or more traditional.

Here are some examples for Facebook and LinkedIn:

■ "Our firm's family is growing"

We are excited to announce a new addition to our family. Recently we [acquired/merged] with [firm name] to offer our clients additional services to help them to be more successful in their business and/or personal lives. Learn more about our expanded family and the new services we'll be offering at [[link to press release or video](#)]. #Merger #Acquisition #Accounting

■ "Our Firm is Expanding to Bring You More"

Our clients are our top priority and we want to be more to you than just an accounting firm. That's why we recently [merged/acquired] with [firm name]. We now offer you more expertise in the [service line] area(s) to help you and/or your business to grow. Learn more about our recent change at [[link to press release or video](#)]. #Merger #Acquisition #Accounting

CULTURE RULES

Forbes recently shared its "Top Five Tips for Successful Mergers and Acquisitions," (<https://tinyurl.com/u254m4fa>) The tip I want to leave you with is that culture is key and it starts with top-down, inclusive communication.

"Encourage employees to use words like "ours" and "we": Our clients, our staff, we secured, etc.," wrote Forbes Business Council member Lauren Shifrin. "This is of critical importance for a strong corporate culture."

Without it you could risk creating an unhealthy work environment that extends beyond the confines of the firm's walls. ■

Becky Livingston is the President and CEO of Penheel Marketing, a NJ-based firm specializing in social media and digital marketing for CPAs.

CLIENT EXPERIENCE FOR TODAY

Continuous Education to Meet Technology Changes

TECHNOLOGY CHANGES CONSTANTLY. We must make decisions about what works for our clients, our firms, and ourselves. Additionally, we must make the effort and take the time to update our skills on products we use regularly and on solutions that we should consider for our practices. This education is beyond our mandatory continuing professional education (CPE) training.

While forty hours of CPE is the typical annual requirement, that is the hardly the education required to maintain competency in the profession. But you already know that even if you may have extensive knowledge in a specialty area, it is challenging to keep up with all aspects of accounting.

Further, you may prefer tax, audit, client accounting services (CAS), Advisory, wealth management, or XX (plug in your favorite area of accounting), and you spend all your efforts in that single area. Add to that accounting knowledge management skills, people skills, or technology skills, and you quickly realize you could focus on just one of these areas and not have enough time in the day.

CONTINUOUS LEARNING

Depth of knowledge is undoubtedly a benefit for compliance and consulting. The breadth of knowledge is a benefit for Advisory work. Lack of knowledge for using technology is a time-waster. Expansive knowledge of technology can help your firm and your clients. While many accountants have an excellent working knowledge of compliance, this excellence can be offset by clumsy or ineffective delivery of results. So how do you address these issues? By developing a continuous learning attitude.

Consider the curriculum that you and each team member should follow to expand their skills, and document that in a learning matrix or ladder. While using productivity software properly sounds mundane, you'd be appalled at how much effort is wasted running software like email, word processing, spreadsheets, or presentation software.

Consider the skills you require in a variety of areas and build a long-term learning plan. The Conscious Competence Learning Matrix looks like this:

How do you stay up-to-date? Reading trade publications, attending events, and listening to podcasts are a great start. Our weekly podcast, The Technology Lab, provides background on a variety of products. You can search for podcasts related to your favorite topics. Still, CPEToday regularly has fresh content, as do a variety of pundits on tax, audit, CAS, QuickBooks, Xero, Zoho, and Advisory services. We have provided CPE via our K2 courses for over 35 years in almost 20 categories. You can produce your own CPE or license in-house courses through your state CPA society or many CPE providers. Most of you have chosen a focus or specialty and are well on your journey to becoming an expert. In his popular book from 2008, *Outliers*, Malcolm Gladwell stated that 10 years or 10,000

hours of study is needed to become an expert. But if your profession changes notably, how do you protect your future? For example, leaders in the profession have been concerned that compliance work will become less profitable and more competitive.

If your skills are in compliance, and you are comfortable that things won't change during your career, then you are all set! However, if you see a different future, you can begin charting a new path now and building your skillset. For example, many professionals have chosen Client Accounting Services (CAS) while others have chosen Advisory or both.

WE ARE ALL ADVISERS, AREN'T WE?

There remains a lot of confusion in the accounting profession about Advisory. Few firms are clear about what Advisory is and how they can deliver advisory services successfully and scale the delivery to ensure great client service and a great return on investment for the firm. But this is not the same as not "doing advisory."

You have probably read online about some accountants



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tants claiming that they are not typical accountants. They're smashing it, changing the world, and "doing advisory." Really folks? Well, I've got news for you – every accountant I have ever met is advising clients. But often, they don't recognize that they are doing so, and therefore they don't always charge for it. When a client calls or emails you with a question, and you answer that question, you are advising them. And you probably do this a lot, don't you?

What would you do if I were to knock on your door and tell you that I was setting up in business and would like you to be my accountant? First, you'd probably ask me lots of ques-



tions about me and my new business. Then you'd advise me whether it should be formed as a sole proprietor, partnership, an LLC, a Sub S-Corp, or C-Corp.

Once that decision was made, we'd talk about all the regulatory requirements, and then we'd move on to the year-end, compliance documentation requirements, and so on. And you'd want to know what my plans are. Where will it operate, what are my sales and profit aspirations, and will I employ people? And all this time, you are advising me. And then there would be my personal affairs and how these interact with the new business.

Salaries, bonuses, dividends, will family members be involved and what this means. Do I own my own home, is there a mortgage, other sources of income, and so on? And all this time, you are advising me—advice, advice, advice.

So, when you hear or read something about accountants not really “doing advisory,” take it with a grain of salt. However, the advisory services outlined above are very reactive, ad

hoc, and unstructured. Further, as stated earlier, the advisory services are often not recognized and rarely charged for appropriately.

The choice is yours – you can carry on the way you are. Or if you can begin to build more structure into how you deliver advisory services, which can provide your clients with proactive help and advice and generate more fees for you. There is no right and wrong – it is up to you.

Part of the confusion about Advisory is that few firms are clear about what it is. A good starting point is to put ourselves in our clients' shoes. What are they looking for, and what does it mean to them? Well, you don't walk up to a client and say, “do you want some advisory services?” Advisory is intrinsic to us as advisers, not something you overtly sell

Here is a great definition of Advisory – simple but powerful: Advisory for clients is about helping them do better. Each individual client's own definition of “doing better” is personal to them. Advisory is helping them do better. It's that simple.

To do better might mean build a bigger and more profitable business. Alternatively, to do better might be to maintain the current level of business performance but not work as many hours. Finally, to do better might be to build a fund to put down a deposit on a house, education for their children, or a combination of all these and many others.

So Advisory starts with the clients' dreams, goals, aspirations – their vision – in other words, what “do better” means to them. Once you have helped a client be really clear about this, you can begin to help them plan

to achieve their vision. These are your primary advisory services. And don't forget you are helping them with their personal aspirations as well as their business goals – personal and business.

The planning process will help the client and you identify which areas of their personal affairs and business require focus and attention and, therefore, the services they need from you and others. The services beyond planning that you then choose to provide yourself are your secondary advisory services. These will often include tax advice, financial and management reporting, and many others. Your tertiary services are the services you choose not to provide but that you can refer to others. These will often include marketing, HR, financial and legal services.

You are in control. The services you provide are your choice. Some firms provide specialist tax advice such as Research and Development credits, which would be a secondary service. Some firms choose not to do so but can introduce a specialist Research and Development provider, and this is delivered as a tertiary service.

CHOOSING ADVISORY AS YOUR CONTINUOUS EDUCATION

Ignore the background noise and confusion about Advisory.

- Take what the “I'm not your typical accountant” group is saying with a grain of salt
- Accountants are all “doing advisory,” but they have a choice
- Follow the ad hoc, unstructured, reactive, and often unrecognized path OR

Begin to build structure and process and be more proactive and create real value for your clients and yourself.

- Help clients do better
- Help clients be very clear about

what is important to them

- Help clients improve their personal positions and their businesses
- Help clients put their personal and business plans together

The planning process will reveal what services the client needs.

- You decide which services you want to provide
- You can refer others to provide the services you don't want to provide
- Use the Primary/Secondary/Tertiary Model
- The client's plans will be the focus for the client relationship and create a central relevance for how you deliver recognizable value

And finally, just as you have delivery platforms for your compliance services, you need a delivery platform for your advisory services to give you consistency and quality control and the ability to leverage and scale – and make your life easier while impressing the client.

WHAT SHOULD YOUR CLIENT EXPERIENCE BE WITH YOUR CONTINUOUS EDUCATION?

Your team will become greater experts. Their skills will grow in all areas of focus. Satisfaction with your firm and value should increase. You are more likely to avoid the great resignation and lose people because they believe they are taken for granted and undervalued.

Clients should be able to recognize your increased expertise and focus on their needs. They should quickly understand that you have their best interests in mind while providing superior service. You will have the techniques to support your strategies. Clients should also see greater value in your expertise and be willing to pay for it too. ■



Productivity Innovations Announced at QuickBooks Connect 2021

THIS YEAR'S QUICKBOOKS Connect, Nov. 3-4, featured presentations for accountants and their small business clients, with keynotes by celebrity chef Carla Hall, actress and philanthropist Kristen Bell, and author and purpose coach Jay Shetty. The all-virtual event also included the annual accountant keynote from Ted Callahan, Accountant Segment Leader, Intuit QuickBooks.

In his address, Callahan discussed Intuit's mission to help small businesses prosper, and noted that the company's mission cannot be carried out without the help of accounting professionals — Intuit's valued partners — who consistently help their clients grow their businesses.

"Because of you, we believe small business owners are more financially stable, more creditworthy, and more likely to succeed. When I speak to small business owners, they describe you as heroes, and I understand why," Callahan said.

Callahan went on to detail recent innovations from QuickBooks designed to help accountants and their clients be more efficient and productive.

NEW "REVENUE SHARE" PROGRAM

Callahan outlined a new revenue share program that will be available soon to accounting professionals who add new QuickBooks Online (QBO) or QuickBooks Online Payroll clients. Callahan explained that many accountants don't want to manage their clients' billing through the ProAdvisor Preferred Pricing Program, but they want some kind of return on recommending QuickBooks to their clients.

"Instead of adding a client through QuickBooks Online Accountant and paying for their QBO account yourself, this new Revenue Share program gets you out of managing billing, provides clients with a great discount, and compensates you for bringing clients on to the QBO platform."

Through QuickBooks Online Accountant (QBOA), whenever an accountant starts a new QBO or QBO Payroll subscription, the accountant will choose "Revenue Share" as the billing option. Clients pay Intuit each month, while the accountant receives 30% of the billed price for the next 12 months.

"And, of course, if you prefer to continue receiving an ongoing discount by paying for your client's QuickBooks Online account yourself, the ProAdvisor Preferred Pricing program will continue to support that."

Callahan said Intuit is in the process of opening the Revenue Share feature up to accounting pros. Anyone interested in being an early adopter of this program can sign up at <https://tinyurl.com/sm8fauxr>.

BOOKS REVIEW AND TRANSACTION COLLABORATION

Many accountants are probably familiar with Intuit's Month-End Review, the first-ever end-to-end workflow that's built inside accounting software specifically to deliver the books each month. Month-End Review breaks the bookkeeping flow into three steps: transaction review, account reconciliation, and final review.

Now, Month-End Review is called Books Review, a name change Callahan said was based on feedback from accountants who had ongoing needs outside the monthly window. New capabilities have now been added to the workflow: Bookkeeping Setup, Bookkeeping Wrap-up, and Transaction Collaboration.

"We expanded this workflow to include experiences at the beginning and end called Bookkeeping Setup and Bookkeeping Wrap-up," he said. "Until today, there was no industry standard definition for how to set up books correctly, yet this is the most critical step in delivering the books. Setup makes it easier to make adjustments to the opening balance and sort out issues, such as disconnected bank accounts and redundant accounts on the chart of accounts, all in one place."

Helping clients understand their numbers to make more informed decisions is also very important.

"Wrap-up lets you prepare a set of tailored reports for your client that provide insight into their business and serve as a tangible work product of your value. You can edit, customize, and then send these tailored report packages to your client, all from within QBOA," Callahan said.

Helping accountants make the move to more advisory services is also a part of Wrap-up because it guides clients in making strategic decisions, but just as important is the ability to get information from clients in a timely, productive way. "Transaction collaboration" does just that.

"Beyond the need for a first-of-its-kind bookkeeping workflow like Books Review, one of the biggest challenges you face each month is getting missing information from clients. How much more productive could you be if you didn't have to chase, hound, remind, and bug your clients for those little morsels of information you need to

complete your work?" Callahan asked.

Once you've requested information, transaction collaboration takes place through notifications and messages. Clients will get a notification and also see transaction collaboration requests in the My Accountant tab, when they log in to their QBO account. They can open the request and provide the information for review, all without leaving QuickBooks.

"You have the information from your client, and you're no longer held up! Now you can complete the transaction review. Transaction collaboration makes it easier to deliver complete books and awesome service every month."

QUICKBOOKS ONLINE ADVANCED APP FOR WINDOWS

One of the ways to get more done in less time is to rely on apps, something accountants have known about for many years. Now, brand new, is the QBO Advanced App for Windows.

The free app is available for download and designed to help all QBOA users manage their QBO clients, no matter what version of QBO they are using.

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Self-Care for Busy Accountants

AS AN ACCOUNTANT, you know how valuable your time is. Sometimes it seems like there are not enough hours in a day or weeks in a year. Unfortunately, one significant hazard that affects accountants, CPAs, bookkeepers, and other tax preparers—even outside of tax season—is burnout.

The key to burnout prevention is through self-care and better work-life balance. Find ways to make self-care a part of your routine to protect yourself in times of stress.

SET BOUNDARIES

Setting boundaries in every area of your life is vital. If you want to be happier and more productive—set boundaries. Learn to say ‘no.’ You may find that saying ‘no’ does not upset others as often as you think.

When you let work creep into your personal time, it takes away from the time you should be spending on yourself and tends to reduce your quality of work. The easiest way to start setting boundaries is to let your calendar be your first line of defense. Schedule your work hours and let people know that you will not be available outside of those hours. You can set your calendar to public so clients can know what times to reach you.

Setting boundaries also includes being realistic about the amount of work you can do. If a client asks for extra work, say no if you don’t have time. Overloading yourself increases the chance of burning out and a poor client experience. Knowing your limit on how much work you can do helps lower stress and makes your work time more enjoyable.

CHOOSE WHO YOU WORK WITH WISELY

Not every client is a good client. As a professional who works with the public, you see a lot of different types of people. Some clients

come prepared, some clients make you laugh, and some... can be a challenge.

If you and a client don’t see eye to eye, it’s okay. You can both move on. Evaluate what the client brings to the table. How will it affect your work if you lose this client? If it’s feasible and you find it challenging to work with them, it’s okay to let them go.

Saying goodbye to your worst clients can truly be an excellent form of self-care. It gets you closer to that place of perfect work-life harmony and is a powerful way to take charge of your energy and time. For every difficult client lost, a fantastic new one is waiting next in line.

GIVE YOURSELF SOME ME-TIME

Sometimes the ultimate act of self-care is alone time. Being around other people comes with many rewards, but it also creates stress and insecurities. You tend to over-worry about what people think. That’s okay, but sometimes you just need a break.

Spending time with yourself can help you get to know yourself. It allows you to tune into and concentrate on your thoughts and feelings. Becoming comfortable in your own company can give you the time and freedom to truly explore your own passions without interference. You can try new things and research topics that fascinate you. Get to know yourself differently.

To make me-time work, you need to set this time aside and make alone time a priority. Don’t wait until you



suddenly have space in your calendar; it never happens. Mentally commit to a time or, better yet, book it into your calendar. This way, it becomes something for you to look forward to.

STAY ACTIVE

We all know working out is good for you—not just physically, but mentally too. Regular exercise decreases your risk for serious health conditions, such as high blood pressure, hypertension, and depression, while also having the benefit of increasing your memory and concentration.

Our lives are so full for many of us, but understanding the impact that exercise has on your life allows you to make intentional choices to improve your health. Neglecting your health because of lack of time can stop you from being the healthiest version of yourself, body, mind, and soul.

PRACTICE MINDFULNESS

Practicing mindfulness is about being fully present in the moment

and becoming aware of your reactions to your thoughts and feelings. It helps amplify all of your self-care practices, including the ones mentioned in this article.

A shift in mindset improves your relationship with your thoughts and improves your mood. You gain a more balanced perspective on your life. Many people who practice mindfulness report an increased ability to relax, greater enthusiasm for life, and improved self-esteem.

There is preliminary evidence that shows introducing a three-minute breathing exercise before a stand-up meeting results in better decision making, more productive meetings, good interactions.

People who practice regular mindful activities and engage in self-care are happier with their jobs and have lower stress than those who do not. Make the next tax season your least stressful yet by finding ways to make self-care a part of your routine. ■

The Pandemic *Unforeseen Events and Unforced Errors*

EMPLOYERS HAVE RARELY, if ever, been confronted with challenges as difficult or unique as those they have faced over the past 18 months. The Coronavirus pandemic has been one of those once-in-a-lifetime events that no one, especially employers, ever wants to see again. From its first impact employers across the board have had to adapt to the federal government's constant revisions and updates to its guidance for maintaining a safe workplace.

As businesses began to resume operations, the numerous operational problems were exacerbated by a lack of returning employees and inability to hire new ones. Substantial increases in starting pay to help attract applicants were somewhat successful, but created the unintended consequence of wage compression, often upsetting existing employees. This resulted in unhappy, experienced employees leaving for open positions that offered more money for their experience in addition to quickly departing new hires job hopping through abundant available jobs. More employees have been leaving their jobs than at any time since 2000.

In addition, the expanding government regulation into U.S. workplaces has been expanded in the name of COVID-19 prevention. Centers for Disease Control and Prevention (CDC) guidelines effectively became requirements. Most recently, the Biden administration has gone further by attempting to mandate that employers with 100 or more employees require that they be vaccinated or show a negative COVID-19 test on a weekly basis. As of this writing, several states and business groups have challenged this OSHA Emergency Temporary Standard. The vaccination mandate for employees of federal contractors, issued on September 9, 2021, may prove more difficult to challenge, since the federal government is largely free to decide with whom it will do business.

These are merely a few of the hurdles that employers have had to overcome as the result of the pan-

dem. That is why steering clear of any self-inflicted harm, such as legal missteps, is so critical. One example that arises all too frequently is wage and hour violations under the Fair Labor Standards Act (FLSA) or similar state laws. Chief among these violations is misclassification of employees as exempt from overtime. The overtime exemption for "administrative" personnel is most frequently misapplied. Some employers mistakenly believe that an employee working in an office environment and performing work such as that of a bookkeeper, accounts payable or receivable clerk, or some similar clerical position, qualifies under the "administrative" exemption if the employee is paid a salary. In most situations that assumption is erroneous.

To qualify for the "administrative" exemption, an employee must be paid a salary of at least \$684.00 per week (\$35,568.00 annually) and perform certain duties. These duties must be "office or non-manual" work directly related to the management or general business operations of the employer or the employer's customers. The employee must also exercise discretion and independent judgement with respect to matters of significance, which is most often at issue. Both the type of work performed as well as the importance of the work are relevant.

The exercise of discretion and independent judgment "implies that the employee has authority to make an independent choice." Exempt "administrative" employees possess the authority to commit the employer in matters of

significant financial impact or with authority to waive or deviate from established policies and procedures without prior approval. Using skill and experience in applying established procedure or standards generally will not satisfy the "discretion and independent judgement" requirement. Examples of exempt administrative jobs would be purchasing agents, human resources personnel, buyers, inspectors, and executive assistants, among others.

The harm that could result from misclassification comes in the form of a Department of Labor (DOL) claim or private lawsuit. Either could result in backpay for overtime wages for up to three-years for each week that a misclassified employee worked more than 40 hours. There is also the risk of liquidated (double) damages and DOL fines for each violation. If the matter is the subject of a private lawsuit, the employer would also be responsible for the complaining employee's attorney's fees. If multiple individuals have been misclassified, the violations could be pursued as a collective and/or class action.

Another common wage and hour violation is off-the-clock work. These claims have escalated in recent years across nearly all workplaces. They often arise after an employee has left the employer. These claims can involve both preliminary and postliminary activities to the principal activities of the job. In certain industries "donning and doffing" of equipment can be compensable if "unique items are involved." Similarly, preparing equipment and vehicles, transporting tools and equipment,



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security screenings, shift-change activities, and attending meetings and training programs are usually compensable time. The routine review and response to work-related e-mails or texts after the end of the normal workday has also served as the basis for off-the-clock work claims. Since most employees are plugged in 24/7, this has become a common problem.

The measures necessary to help avoid both misclassification of employees and off-the-clock work claims are relatively straightforward. In the case of misclassification, employers should carefully review both the job descriptions and day-to-day activities of all exempt employees. The job description should accurately reflect the work performed and comport with the claimed exemption. Regarding off-the-clock work, the best course of action is to post a notice to employees that no overtime work or work off-of-the-clock may be performed without the employee's supervisor's prior authorization, and that violations will result in disciplinary action. The notice should also inform employees that repeated violations will result in termination. While employers are required to pay employees for off-the-clock work, even though unauthorized, employers can and should discipline and even terminate employees for repeated violations.

Though little can be done to help ease lingering distress over events during the pandemic, being aware of and taking steps to avoid common wage and hour violations should make the future a little brighter. ■



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Every Action Matters

“FOR EVERY ACTION, there is an equal and opposite reaction.” This famous quote from 1687 is part of Sir Isaac Newton's laws of motion that are still today seen as the cornerstone 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.



OPTION B

For option B, we choose 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 increases dramatically. Your crises and problems shrink to manageable proportions because you are 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 create lasting change. Given that 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

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 time 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. 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 in 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 begun 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 might be expected. 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 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. 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 I mentioned earlier, you are always left with an opposite reaction.

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. ■

Staying Ahead of the Curve: What's New in Accounting for 2022?

AS THE PANDEMIC lessens its grip in many areas, businesses are shifting their focus from survival to growth. With economic confidence running high, CPA practices are ramping up operations, which is driving hiring. Despite the upbeat outlook, accounting firms still face challenges in employee recruitment and retention. A shortage of skilled professionals is allowing the best candidates to receive multiple job offers and the ability to command top salaries. And for their part, accounting professionals must consider new skills they'll need in an increasingly automated world.

MAKING FLEXIBILITY PART OF THE CULTURE

The trend toward digital transformation was well underway before the pandemic, but the sudden switch to remote working accelerated the adoption of cloud-based technologies. And according to the 2022 Salary Guide from Robert Half, accounting firms with a traditional face-time culture found that reporting, auditing and other financial processes could be completed remotely just as effectively as in the office.

By putting trust in their workers and providing them with the resources and flexibility to perform their roles from home, employers have found themselves with a happier, more motivated workforce. The option to telecommute has become a must for many professionals, with 75% of workers surveyed by Robert Half saying they want to work remotely at least part of the time.

The message is clear: Firms that don't embrace flexible or hybrid working as part of their culture risk losing the best workers. Employers that *do* offer this flexibility not only boost retention but also gain access to a much broader pool of additional talent with specialized skills since new hires can work from anywhere. For this reason, three in four (78%) companies are now open to recruiting from outside their geographic area, according to the Salary Guide. The guide includes a salary calculator CPA firms and job seekers can use to find accurate pay ranges tailored to their geographic location.

DIGITAL SOLUTIONS FAST-TRACKED

In the face of unprecedented disruption over the last 18 months caused by the pandemic, accounting firms have speeded up their move to automated solutions that save time, minimize errors and optimize processes. As well as allowing companies to operate more efficiently, increasingly sophisticated AI means financial planners and analysts can offer better advice, based on deeper insights, that help executives make data-driven decisions.

Since the use of robotic process automation (RPA) in the accounting industry looks set to intensify in the coming years, accounting leaders need staff with technology expertise to take them into the future. According to the Salary Guide, 72% of CFOs plan to increase their budget for professional development and training.

To add value to their role, today's CPAs must have an aptitude for technical solutions and be comfortable working with cloud-based technology, customer relationship management (CRM) software and digital ERP systems. Professionals with advanced Excel skills, QuickBooks knowledge and data analysis experience are also highly sought after.

FUTURE-PROOFED SKILLS IN ACCOUNTING

Because many functions are already largely computerized, should CPAs be worried that their jobs will be automated out of existence?

The good news for accounting professionals is that any emerging automation software is likely to create more jobs than it replaces. Still, they must be ready to upskill and evolve with their role. While they need to embrace digital systems, employees should understand that success in the accounting profession depends on more than technical know-how. Soft skills like adaptability and change management, collaboration and teamwork, critical and independent thinking, and problem solving are just as critical to a professional career. In fact, the deciding factor in promotions is often evidence of these abilities.

THE HOTTEST JOBS RIGHT NOW

While some industries are still recovering from the COVID crisis, sectors such as government, healthcare, insurance and technology have seen substantial growth. Hiring in financial services and public accounting is also active, particularly for the following roles:

- **Compliance** — regulatory changes and complexity mean compliance professionals can expect a busy year
- **Mortgages and banking** — a hot housing market is increasing demand for specialists in mortgage lending and real estate finance
- **Digital security** — increased cybercrime and fraud means firms are prioritizing investment in risk assessment and digital security initiatives
- **Tax** — firms looking to make savings in an uncertain climate need dedicated tax specialists to capitalize on



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savings and help them navigate new regulations.

ACCOUNTING GRADUATES IN DEMAND

A shortage of skilled candidates means it's a great time to be graduating with a degree in accounting. Competition for early-career professionals is fierce, with employers having to hire earlier and earlier to fill entry-level roles. Campus recruiting has become a common strategy and many students are offered a position before they even graduate.

Accounting leaders are keen to capitalize on the fresh perspectives that newly qualified accountants can bring. More than seven in ten (71%) managers offer reverse-mentoring programs, where senior professionals can exchange skills, knowledge and insights with their more junior colleagues, and high potential graduates are trained for company-specific roles.

LOOKING TO THE FUTURE

The Salary Guide points out that, as CPA firms get back to business, confidence is likely to remain high in the employment market over the next 12 months, putting candidates in control. With over half of companies (51%) looking to hire additional full-time staff, managers can use contract professionals to quickly fill skills gaps and support their core teams. Since the hiring process can be very time-consuming in the meantime, many accounting organizations are choosing to work with a talent solutions firm, giving them immediate access to pre-screened candidates in their area.

Lifestyle Apps

THERE'S NO DOUBT COVID-19 has changed both our work and personal lives in myriad ways. As I reflect on how I have altered my day-to-day existence in the past year and a half, I find there are apps I have incorporated into my daily life that I didn't even know I needed prior to 2020! Apps can help us stay in shape, stay in touch with distant friends and family, do our work, manage our to-do lists, guide us to entertainment, order our groceries, continue our education, monitor our health, plan for the future, care for our children and our pets – the list is almost endless. We did some investigation into this area of Lifestyle apps, sought some input from a few members of the *CPA Practice Advisor* community, and here is a sample of what we found.

Michelle Golden River, CPF, president of Fore LLP, recommends:

- **Anylist** - for groceries or anything... family members can see shared lists
- **AgeBreakdown** - super helpful to plug family (and pets) into so I can keep track of birthdates and current ages (this gets harder to keep in my head as I get older). I wish it had reminders but it does not
- **Big Red Clock** – turns my cell phone into a perfectly readable clock while I'm teaching or speaking
- **Stylebook** – because I'm a huge geek... it took a bit of a time investment but I loaded in my entire wardrobe (I could write a whole post about tips to get that done with as little pain as possible). I use the app for many things. You can put together outfits with the app and save them, or you can even use a random outfit generator and I've come up with some really creative combos that way that I'd never have thought of on my own. I love that I can decide what to pack for a trip from the couch (awesome for road warriors!) and pack super efficiently, and I can check if I already have something similar at home before I make a hasty spontaneous purchase. More importantly, I wish I had this as a young professional because I've made a lot of unwise clothing purchases over the years... it makes you smarter because it calculates cost per wear which is a smart way to think of something. It teaches better buying habits... when you realize that 4 year old sweater you just gave

to charity literally cost you \$8 every time you wore it, you think twice before buying something at a high price point that you won't wear a lot. I use it to evaluate what to pare down out of my closet—super helpful if one aspires to be a minimalist.

- **Flightview** and **Flightboard** are huge for travelers, as is **Triplt**.
- **Hiya** to end spam calls or trace who a number belongs to
- **Paprika** for recipes – I love that I can export my whole recipe file for my kids!

David Cieslak, CPA.CITP, CGMA, GSEC, executive vice president and chief cloud officer at RKS eSolutions LLC, shared us these lifestyle apps:

- **Stitcher** (Podcast player) - I'm a podcast junkie, and I'd be oh so marooned without this product! It's my every-day, go-to!
- **Amazon Alexa** – while I verbally converse with my Amazon Echo's throughout the day, the smart mobile app sees a lot of use as well (adding/ updating items on lists, turning devices on and off, etc.). Who knew?
- **Flipboard** (news aggregator) - Stay connected to your favorite publications and topics with Flipboard.

Caleb Jenkins, EA, CQP, RLJ Financial, uses these lifestyle apps:

- Stay in Touch: **WhatsApp Groups** – I'm part of



various WhatsApp groups w/ family & friends to stay in touch

- Do our Work: **Liscio** – This helps us stay in contact securely & effectively with our clients and request documents and information from our clients in a mobile first world.
- Manage our To-Do Lists: **Microsoft To-Do's** – This allows me to convert an email into a To-Do which is helpful if I'm not able to do that item right away.
- Continue our Education: **Twitter** – This helps me stay abreast of conferences & events that I want to attend to further develop my education.
- Monitor my Health: **Forward** – I joined a medical membership platform that is mobile first and has some powerful monitoring capabilities, chat w/ doctor, medical records, etc.

We'll wrap up the year next month with apps related to helping those in need. If you have any apps in this category you would like to share, please email gerry@cpapracticeadvisor.com describing the app and including a sentence or two about why you think it's great. ■



TRUST AND EMPOWERMENT:

Two Keys to Emerging Unscathed from the Great Resignation

By Josh Cyphers

THE COVID-19 PANDEMIC has accelerated a lot of trends, including the trend of people quitting their jobs.

The Bureau of Labor Statistics reports that nearly four million Americans quit their jobs in July—for the fourth month in a row. In the same month, job openings rose to a record high. According to a Microsoft survey released in June, 41% of US workers were considering resigning. Pundits are calling it “The Great Resignation.”

This should be a very loud wakeup call for business leaders. The biggest cost to any organization is trying to replace experienced people. Now more than ever, it’s harder to recruit and retain good people.

It’s a seller’s market, and employees’ values have changed during the pandemic. According to research released by Gartner in September, “Employees no longer want the traditional employment value proposition, instead they want a more human deal with their employers where they are recognized as people, not just workers.”

CREATING A GROWTH CULTURE

The most important step a leader can take to meet employees where their values are is to establish a culture of

trust and empowerment. I only have to look at my own career to see how much this impacts employee and company performance.

I’ve worked in organizations where there was trust and empowerment. I wanted to come to work every day, to work hard and do my best. I felt valued, and empowered to solve problems and bring new ideas to the table.

I’ve worked in environments where trust and empowerment were lacking. I wasn’t excited to get into work. I dreaded each meeting, each conversation, and eventually, the entire day. I kept my head down, and my mouth shut, and ultimately, I left.



A TALE OF TWO COMPANIES

It's great to have personally experienced that culture, but how do trust and empowerment, or the lack thereof, impact an entire company?

Here's the best illustration I can give you: I worked at two companies that were both at \$8 million in revenue when I started. In one company, we cultivated an environment of trust and empowerment, a "growth culture", and we grew to \$65 million in a few years' time. In the second company, there wasn't a lot of trust and empowerment, and when I left after a few years, the company had hardly grown at all.

There are always business rationalizations and market justifications for why a company grows or doesn't. In my experience, what it comes down to is having a group of people who care about one another and the customers they serve, who trust each other, and who can pull together during difficult times. That cohesive energy stems from how they feel about the company itself and those around them. Companies grow when people grow. People grow when they feel valued. Trust and empowerment are the foundation for growth and innovation, and for building a company people want to work for.

GROWTH CULTURE VS. FIXED CULTURE

How do you create a foundation rooted in trust and empowerment? Here's what that looks like based on my experience:

- People listen to each other and ask for each other's opinions.
- Ideas can come from anyone, no matter where they sit in the organization

or how long they've been there.

- People have autonomy over how they reach their goals and KPIs.
- Leaders support and encourage testing new ideas and taking on stretch assignments.
- People collaborate cross-functionally.
- Failure is embraced and shared, not condemned and avoided.

It all adds up to what's referred to as a "growth mindset."

When I've worked in companies with a growth mindset, it seemed to me that people felt like what they did mattered. Job descriptions were broad and tied to outcomes, not tasks. If they saw something broken or raised an issue, leadership listened and wanted to know how the situation could be improved. They were interested in evolving as a company, and people grew and evolved too.

In one such company, I came in as an entry-level analyst. Before I knew it, I was influencing product and corporate strategy, how sales teams were structured and where we made investments in the company. I soon stepped into a leadership role.

The contrast to that is a "fixed mindset" culture. Here's what I've experienced in that type of environment:

- Decisions are handed down from the top.
- Execution is micromanaged.
- People fear questioning things or disagreeing with the group.
- New ideas are met with silence, or dismissed without consideration.
- "The way we've always done it," is unquestioned.
- Mistakes result in finger-pointing.
- No one wants to risk trying new things for fear of failing.

In this culture, people's roles

and spheres of influence tend to be narrow. They don't point out problems they see if those problems are outside of their sphere. They don't bring forward new ideas, because they know they'll be told to stay in their lane. There's a "not my job" mentality.

You can probably guess which type of culture leads to more innovation.

NOT JUST FOR SMALL COMPANIES

This is not just a big company vs. small company issue. One of the most empowering places I've ever worked is one of the biggest companies in the world. One of the worst was a small company where the leader would scream and yell and talk about people behind their backs. No one felt safe.

Big companies that want to continue to innovate intentionally invest in things like incubation centers or hack-a-thons, not necessarily because they're demanding specific profitability performance but because they're trying to foster the creation of new ideas, and they don't hold an expectation of performance. They hold an expectation of evolution, growth and collaboration.

In a small company, innovation is even easier. If you set the right tone, innovation is what everybody does naturally. There's so much flexibility in the direction of a smaller company and there's a greater ability to say, "Hey, why don't we try this?" and go for it.

COMMUNICATING VALUE

What all of this comes down to is how you value your employees. Money alone is not the answer.

Money typically isn't even the primary factor in how employees feel about the place they work. Feeling empowered to contribute to the best of their ability, and having their contributions valued, matter more than paycheck or title to many employees.

The value you place on your employees as people is communicated every day, from the top down. It's communicated by listening to opinions and ideas, trusting people to make decisions, and clearing the runway for them to thrive. It's shown in removing the obstacles to let people go beyond what they're doing today, and then giving them the opportunity to push themselves further and try new things.

The COVID-19 pandemic has been a time for people to re-evaluate their relationships and how they spend their time, both personally and professionally. Many have decided that returning to business as usual, or continuing to work in a job where they don't feel valued as a person, is not worth the costs to their physical and mental well-being.

That's what The Great Resignation is all about. If employers don't acknowledge and respond to this shift in workers' mindsets, it will ultimately lead to losing lots of good people. ■

Josh Cyphers is the President of Nvoicepay, a FLEETCOR Company. For the past 20 years, Josh has managed successful growth for a variety of companies, from start-ups to Fortune 100 companies. Prior to Nvoicepay, Josh held leadership roles at Microsoft, Nike, Fiserv, and several growth-stage technology companies. Josh is a lapsed CPA and has a BS in Economics from Eastern Oregon University.



AICPA News is a round-up of recent announcements from the institute.

AICPA Releases New FAQ for Employee Benefit Plan Auditors

The American Institute of CPAs (AICPA) has issued a new resource for auditors of ERISA plan financial statements. The Employee Benefit Plans Industry FAQ with Illustrative Auditor's Reports for Initial Year of Implementation of SAS No. 136, as Amended, provides nonauthoritative guidance on auditor's reports for the initial implementation year of AICPA Statement on Auditing Standards (SAS) No. 136 -- Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA, as amended.

■ Because ERISA requires the presentation of certain comparative financial statements, this resource provides illustrations and options for reporting during the implementation year of the EBP SAS. Be sure to visit the AICPA's Employee Benefit Plan Audit Quality Center (<https://tinyurl.com/4xu7e4fr>) to access more EBP audit resources. ■

AICPA Honors Bel Needles with Gold Medal of Distinction

The AICPA recently announced Belverd (Bel) Needles, CPA, CGMA, Ph.D., as the recipient of the 2021 AICPA Gold Medal Award of Distinction.

The Gold Medal is the highest honor granted by the AICPA. Since 1944, it has been bestowed upon CPAs whose influence on the accounting profession has been especially notable.

Needles has spent more than 40 years at DePaul University, where he was one of the founding Directors of the School of Accountancy and currently serves as EY Distinguished Professor of Accountancy. He was the key driver of adding Management Information Systems (MIS) to the Accountancy curriculum and the establishment of the School of Accountancy & MIS and developed the first combined 150-hour undergraduate and graduate program in Illinois in response to the new CPA requirement.

Needles spent more than three decades volunteering within the profession and AICPA serving on a variety of task forces and committees including chair of the AICPA's Accounting Education Executive Committee (1994-96). He is also a long-standing member of the Illinois CPA Society (ICPAS).

He received many career awards including AICPA's Distinguished Achievement in Accounting Education Award and upon retiring, he received the Via Sapientiae Award from DePaul University, the highest award for service to the university.

AICPA ISSUES NEW STANDARD ON AUDITOR'S RISK ASSESSMENT

The AICPA Auditing Standards Board (ASB) has issued Statement on Auditing Standards (SAS) No. 145, Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement, to supersede SAS No. 122, as amended, section 315 of the same title, and to amend various AU-C sections in AICPA Professional Standards.

SAS No. 145 addresses the auditor's responsibility to identify and assess the risks of material misstatement in the financial statements. The SAS enhances the requirements and guidance on identifying and assessing the risks of material misstatement, in particular the areas of understanding the entity's system of internal control and assessing control risk. The SAS revises the definition of significant risk, includes new guidance on maintaining professional skepticism, and includes a new "stand-back" requirement

intended to drive an evaluation of the completeness of the identification of significant classes of transactions, account balances, and disclosures by the auditor. The SAS also includes extensive guidance regarding the use of information technology (IT) and the consideration of IT general controls.

On Nov. 16 from 1:00 – 2:00 PM EST the AICPA will be hosting a webcast (<https://tinyurl.com/czraz553>) to help practitioners prepare for the new risk assessment standard. Attendees will learn how to determine their responsibility to identify and assess the risks of material misstatement in the financial statements; apply the new concepts in SAS No. 145 as they begin to plan and perform audits and apply the enhanced or new requirements or guidance in SAS No. 145. The webcast is free of charge to AICPA members. ■

AICPA SUPPORTS PROVISIONS OF RECONCILIATION, SUBMITS RECOMMENDATIONS

The AICPA has submitted comments to the Congressional tax-writing committees' leadership on several tax provisions. The AICPA supports several tax provisions in the reconciliation bill, expresses concern with others, and has provided comments and suggestions for improvement:

AICPA Supported Provisions in the House Reconciliation Legislation:

- Individual Tax Provisions
- Child Tax Credit Modifications
- Child and Dependent Care Tax Credit Changes
- Employer-Provided Dependent Care Assistance Exclusion
- Temporary Rule to Allow Certain S Corporations to Reorganize as Partnerships Tax-Free
- Deferral of IRC Section 174 Amortization
- International Tax Provisions
- Restoration of Former IRC Section 958(b)(4) Deduction of Foreign Source Portion of Dividends Limited to Controlled Foreign Corporations
- Modification to Base Erosion and Anti-Abuse Tax
- GILTI Changes to Carryforward Losses
- Modifications to Foreign Tax Credits
- Limiting Section 78 Gross-up to IRC Section 960(a) and (d) Taxes

AICPA Concerns with Certain Tax Provisions in the House Reconciliation Legislation:

- IRC Section 199A – Deduction for Qualified Business Income
- IRC Section 461(l) – Excess Business Losses
- IRC Section 162(m) – Limitation on Deduction of Excess Employee Remuneration
- Employee Benefits Tax Provisions
- Contribution Limit for Individual Retirement Plans of High-Income Taxpayers with Large Account Balances
- Tax Treatment of Rollovers to Roth IRAs and Accounts
- Prohibition on Certain IRA Investments
- Statute of Limitations with Respect to IRA Noncompliance
- Trust and Estate Tax Provisions
- Valuation Concerns
- Grantor Trusts
- Estates
- Modification to Treatment of Certain Losses under IRC Section 165(g)
- Limitation on Certain Special Rules for IRC Section 1202 Gains
- Modification of Procedural Requirements Relating to Assessment of Penalties



JON HUBBARD

Shareholder/Consultant, Boomer Consulting, Inc.

5 Growth Trends for 2022

AS WE HEAD into the final quarter of 2021, it's time to start planning for the coming year. The decisions you make today don't just impact your firm today. They help determine your trajectory over the next five to ten years. That's why it's so important to take time out of working *in* your firm to work *on* your firm and consider your long-term mission and strategy.

As you finalize your goals and plans for next year, keep the following growth trends front of mind.

DIGITAL MARKETING IS ESSENTIAL

It's never been easier to attract and deliver value to clients worldwide, and the firms that are best at attracting new clients with digital marketing strategies will win the marketplace.

Clients today expect the businesses they work with to have an online presence. According to a study by Visual Objects, a directory of design and creative agencies, nearly 44% of consumers frequently use search engines to find information about businesses and services, and 76% look at a company's website before visiting their physical location.

Compared to traditional advertising methods, digital marketing — including search engine optimization (SEO), social media, paid advertising and organic search — is more effective at helping companies reach their target audiences. In the digital marketplace, potential clients are looking for companies to solve their problems. You win more clients when you use digital marketing channels to educate your target market on how your firm can solve its problems.

FRictionless PROSPECT AND CLIENT EXPERIENCE

You should be obsessed with the experience your prospects and clients have with your firm and your team members — before and after they become clients.

When you're evaluating new technologies and marketing strategies, think mobile-first. After all, that's where your clients are. Nearly 95% of all people in the U.S. own a mobile phone, according to Pew Research. And according to eMarketer, people spend over 3.5 hours per day on their mobile devices.

If there is too much friction in the process of engaging you for services, clients will leave and find someone easier to work with. Some questions to consider include:

- How easy is it for our clients to get us the information we need? Snail mail, in-person drop-off, and "print, sign and email" do not help the client experience; they detract from it.
- How many individuals in our firm have contacted the client over the last two weeks? In many firms, clients feel like they're working with two different firms rather than two different departments of the same firm. That's an issue.
- What activity should clients be able to perform from their mobile device but currently can't? Filling out tax organizers, sending PBC documents, reviewing and e-signing tax returns, paying invoices and more can and should be done online now.

MARKETING AND BUSINESS DEVELOPMENT SOPHISTICATION

The marketplace is too competitive to be lazy about your marketing and business development strategies. Firm leaders can't view the marketing department as "graphics and party planning." Instead, your

strategy needs to be intentional, sophisticated and focused on generating high-quality leads.

Business development can no longer be something that happens "when work slows down." Many other companies (both within and outside of the accounting profession) will gladly take business development seriously if you don't.

We've seen a serious uptick in firms focusing on marketing and business development far beyond the "traditional" activities of attending local business networking events and sponsoring golf outings. If your competitors are marketing their services, this should tell you that marketing is important.

CONTENT STRATEGY IS KING

Content marketing helps build trust between you and your current and prospective clients because it involves sharing valuable content without asking anything in return. As a result, you gain your audiences' trust faster and more deeply. And when people trust you, they're more likely to support you and seek your advice and recommendations.

Your content needs to answer your clients' and prospects' questions and solve their problems. Every service in your firm (or at least the services you are interested in growing) should have a clear and concise content strategy. That strategy should include clear messaging, a lead-generating website, marketing emails and social media.

DATA-DRIVEN BUSINESS DEVELOPMENT STRATEGIES

Your firm is sitting on a goldmine of data that can inform your business development strategies, and you can leverage this data with both your current clients and prospects.

For example, for your top 20% of clients, create a report that shows which services they do with you and which services they are good candidates for but don't currently buy from you. With this information, you can create a strategy to cross-sell and grow them into buying more of your existing services.

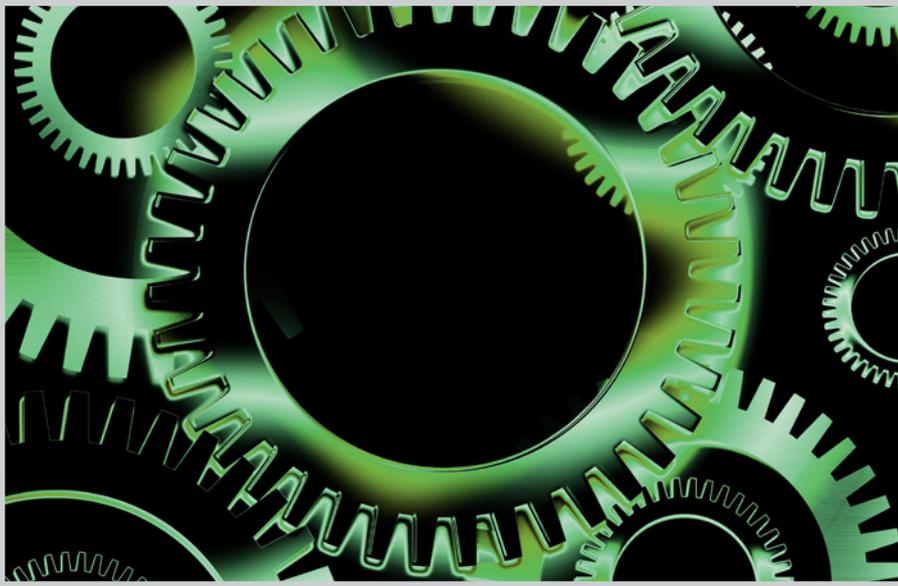
For prospects, based on their interactions with your digital marketing efforts, reach out with direct emails and phone calls with relevant conversation topics. For example, if a prospect is showing interest in your Strategic Planning service, reach out with a direct message for them about selecting a Strategic Planning facilitator.

Start looking at the kinds of data you have and looking for ways to make your business development efforts more valuable and effective.

It's a competitive market out there, and if your firm wants to maintain relevance, you need to grow. As you work on your plans for next year, it's crucial to stay one step ahead — not just of your competitors, but of your clients, too. Use these five growth trends to kick start your efforts and make 2022 your most profitable year yet. ■

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CPA Practice Advisor



THEME: Gearing Up for Tax Season

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