Accounting Associations Foster Development

By Dean Sengstock

In this economy, accounting firms must focus on improving their bottom line through increased billings, enhanced service delivery, and employee recruitment and retention. Firms often do not have access to the resources they need to develop a growth culture—and do not know where to turn for trusted advice. Associations and their members can help.

While many accounting firms today may be running their practices without much involvement in an association, state and national statistics expose an alarming reality that will be the catalyst for industry-wide change. NYSSCPA statistics reveal that more than 50% of all practitioners in New York are older than age 50. New York is not the only state with an aging base of professionals; according to a recent national survey conducted by the AICPA, 75% of all AICPA members will retire during the next 12 years. Accountants who become more involved in associations now will reap the rewards of a developed network of peers, which will enhance their bench strength when the retirement of the masses comes to fruition.

Associations serving the accounting community challenge members by prompting them to step back and look at their firms differently, helping them make changes to increase their level of growth and success. Each association has its own unique characteristics, member benefits, and pricing structure. Firms should conduct their own cost-benefit analysis to determine which option best fits their needs.

Advantages

Research conducted by the Vernon Research Group for RSM McGladrey in August 2006 showed that among firms that belong to associations, the two primary motivators for members to maintain association memberships were: 1) access to outside experts, and 2) the ability to generate business relationships.

Associations vary in size, scope of services, member support, peer-to-peer networking opportunities, and fee structures. From the geographically exclusive to state societies to national organizations, there are many associations worth serious consideration.

Geographically exclusive associations, such as McGladrey Alliance or Firm Foundation, are composed of 15 or more full-time equivalents, and are arranged to minimize competing firms from interacting in the same groups. Members of these associations meet periodically and gain access to a successful national and international alliance of like-sized firms, a broad range of technical expertise, and extensive practice management resources.

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Associations like the National Conference of CPA Practitioners (NCCPAP), other national organizations, and state societies appeal to CPA firms of all sizes. Members of associations such as McGladrey Alliance, Firm Foundation, and the NYSSCPA share commonalities in industry niches, types of clients, size of firms, and services offered. While the advantages to join associations vary, firms commonly report they join because they want a connection to a larger organization or group of organizations. Even if a firm has a full-time marketing and business development staff, it generally benefits by having access to market-tested strategies that help improve overall effectiveness.

Firms can look for new ideas and ways to improve their practice through the resources and benefits available from an association. They also want to improve their ability to thrive because they are willing to change their outlook—not only on where to focus and expand, but how to navigate these changes through a best-practice and resource-rich environment.

In short, firms should join an association that helps them move beyond the basics. Guidance and solid resources enable firms to expand services to current clients and organically add new clients.

Defining Association Resources

Based on the Vernon Research Group study, eight defined areas of service delivery are most in demand:

Immediate connection to an established brand. Local firms grow because they are connected with national, and in some cases international, resources. This affiliation enables them to pursue larger, more complex clients, while continuing to meet the changing needs of their own client base.

Access to technical and operational infrastructures and tools. With less time spent on issues related to operations and technical acumen, more time is devoted to client service.

Technical expertise and capabilities. Depth in expertise, resources, and training are vital to obtaining new clients. Firm members should evaluate the source, scope, and access to technical resources provided by the association, ultimately assessing how these resources will help develop new services or strengthen existing capabilities to complement a firm's existing offerings.

Strategic growth planning and business development. Associations provide a proven, systemized process to help a firm plan for its future. This growth culture is accomplished through resources that expand services to a firm's existing clients, while turning prospects into clients.

Practice management resources. Firms outperform their competition through focused, one-on-one conversations with an association's experienced partners and

CPAs and connections to experts in nonstandard practice management topics. In-person and online network meetings provide larger discussion forums.

Human capital improvement. A firm's most valuable resource is its employee base. Association programs in continuing professional education and human resource initiatives help firms invest in their staff, advancing knowledge and building morale.

Dedicated client service support. Associations function as a central point of contact for firms that have questions or need guidance on resources and programs.

Peer review. Some associations mitigate the costs of peer review by offering service exchanges rather than billable costs.

Helping Firms Manage Change

With an aging population, the accounting profession is facing imminent change. A dynamic association will help an accounting firm establish a platform that drives change within the firm. This requires commitment from a firm's leadership, including the willingness to do things differently.

Firm leaders need to align themselves so that everyone within the firm is moving in the same direction. In the courtroom, one dissenting member of a jury spells trouble; a business with multiple partners isn't any different.

A firm needs to decide what practice management factors to focus on in order to achieve greater success. If a firm facilitates a creative "blue-sky" business planning approach, without a strategic plan, the results are likely to be very disjointed. Instead, firms should discuss best practices and business disciplines within their organization to create growth and increased profitability.

Directors, managers, staff, and others naturally look to their firm's partners and owners for guidance. The partners and owners must be the ones who dig deeper. They must drill down as deeply as possible to discuss what it is they want to change: type of industries, size of clients, range of services, or how to operate the firm.

Once the vision is discussed and decisions are made, a firm must be prepared to address the outcomes from these discussions. The finest accounting associations exist to help firms with this process of change and growth—and to ensure firms are successful for many years into the future. ❑

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