



## Wilson's Writings

### Joy To The World!

We hope this holiday edition of Coaching Concepts (our 25th issue!) finds you experiencing the joy and blessings of the season and a year well-lived! **All year long, the firm leaders we work with have said, "All I Want For Christmas Is Accountability!" so we have dedicated this issue to a discussion of the drivers that lead to it and partner performance, too.**

In [Leadership Lessons](#), you'll find a detailed discussion of the five elements that lead to partner performance and contribution. Then, in [Practice Perspectives](#), we'll "go deep" on one element of our performance model – partner compensation – and explore reward strategies that we've seen work.

Be sure to read [New News](#), too, which is full of information about our latest activities and also features recent awards that our clients have earned. **Congratulations for your growth and success!**

As the year draws to a close, **we reflect gratefully on the wonderful experiences we've enjoyed for nearly eleven years and the fun we've had solving problems and driving change with our clients, colleagues, and in our communities.** Thank you for your friendship and trust this past year. We look forward to working with you again in the bright New Year ahead as we work together to make this world a better, more leader-filled place.

**Jen**  [Click here for a special holiday greeting from CC, LLC](#)

P.S. Click [here](#) and [here](#) for more holiday fun with the ConvergenceCoaching team!

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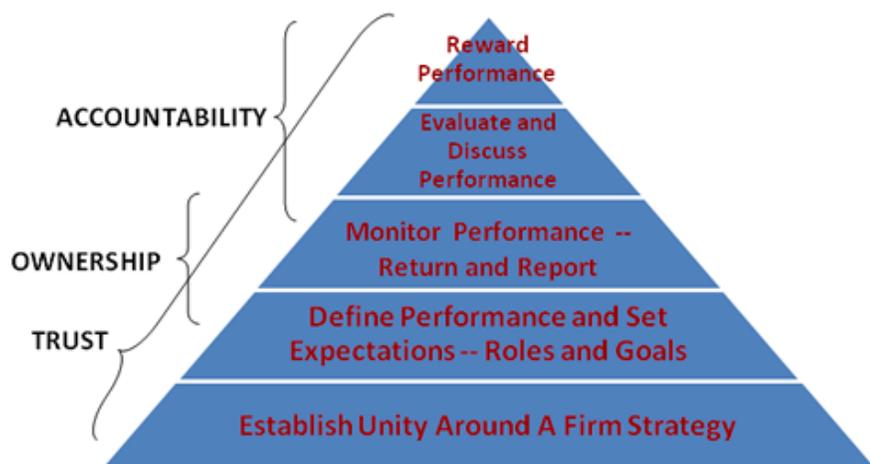
## Leadership Lessons

### Enhancing Partner Performance through Accountability

**Accountability, or "count-on-ability," is a personal and cultural way of being that enables colleagues to trust the words, commitments, and actions of each other.** It enables us to know that we can rely on each other to follow through on commitments and do what's necessary to ensure team success. At ConvergenceCoaching, LLC, accountability is one of our core values. For nearly eleven years, we have studied, practiced, written about, and coached on its core principles.

In this down economy, firms are abuzz with the discussion of partner accountability, and we have been blessed with the opportunity to share our partner performance and accountability model with many firms in the hopes that it will help improve firm performance by making its top tier of leaders more accountable to themselves, each other, and to their teams. This [Leadership Lessons](#) article is intended to provide you with an overview of our partner performance and accountability model and outline a few ideas within each element to help you identify

areas where you can improve performance – both personally and within your partner team. In *Practice Perspectives*, we'll drill down into partner compensation, which is the process of rewarding performance, once the rest of the partner performance and accountability model is in place.



**The foundation of partner performance and accountability is leadership unity around your firm's strategy.** Your strategy includes:

- You firm's **mission** (or reason for being) and core **values**
- Your leadership **vision** for the future – which addresses the following:
  - What do you want to be **known for**?
  - Where are you headed in terms of:
    - **Firm size** (revenues, staff size, number of offices)
    - **Product/service mix**
    - **Ideal target client** profile by product/service
    - Leadership and **governance model**
    - **Succession**
- Your three to five core **initiatives** this year that will support your firm's movement toward the agreed upon vision, including the "difficult moves" that will contribute to your success

We could write an entire article around the concept of gaining partner unity – and it is never "perfect" unity. That said, your partner team must get at least a super-majority of its members to agree to the verbally discussed, and then carefully documented strategy for your firm and require that those who do not agree either submit to the will of the group (and behave and contribute accordingly) or pursue opportunities elsewhere.

Once you've developed unity around your firm's strategy, you'll **define performance expectations for each key member of the leadership team (and then for all others in the firm)**. Work with your partners to **develop clarity about which partners are responsible for each functional area in your firm**, such as business processes (human resources, marketing, internal IT, and accounting/bookkeeping) and initiatives or service lines that you offer (audit, tax, SALT, business valuation, and accounting services, for example). Depending on your firm's size, you may also need to assign ownership for divisions or geographic locations. Every department, initiative, and location in your firm should have one single owner responsible for driving performance in that area.

Once you have assigned ownership for the functional areas of your firm, **develop or refine your partner role definitions**. These role definitions should be "one-size-fits-one" and tie directly to the firm's goals and each partner's departmental, initiative, and/or location goals. Ideally, each role definition will include:

- The position **objective**
- Its **reporting** structure (who does this partner report to for performance)
- The primary **duties and responsibilities** including areas within the firm for which the partner has ownership accountability. When considering these, be sure to include:
  - Leadership and management responsibilities
  - People development expectations

- Business development duties
- Technical and client service responsibilities
- Administrative expectations
- The goals or **measures of success** for each partner

**When establishing goals for each partner, be sure that the goals relate to partner achievements that will drive either current production or future capacity (or both) and tie to the firm's agreed upon strategy.** The goals will include some that are financial in nature and others that are specific to business, people, or market development activities you might expect from that partner. For more information on goals and how they tie to compensation, read this issue's [\*Practice Perspectives\*](#).

Once goals are established and partners are clear on both the strategy and their role in achieving it, **you'll drive performance by regularly checking in to return and report your status, share roadblocks and breakthroughs, and communicate both appreciation and disappointment.** Partners should share their status against their goals with their direct reporting partner (often the CEO, managing partner, or department head) and with each other in departmental, office, or firm-wide partner meetings. These check-ins should occur no less than quarterly. **When partners are asked to report on their status regularly, they are more likely to show up with progress having been made.** And, if performance falls off track, more frequent check in meetings make it easier to course correct.

**Another key element to drive partner performance is evaluating and discussing overall performance.** Firms have a variety of methods for approaching this, from partners being "above being reviewed" (a philosophy that flies in the face of both great leadership and performance) to partners receiving 360 degree input on their performance from subordinates, peers, their reporting partner, and even clients. **We believe that at a minimum, each partner should receive (and will benefit from) an annual review of their contributions to the firm and their performance against their goals so that they know where they stand, can share their successes and failures, and explore what's next for them in the coming year.**

**The last element of the partner performance and accountability model is rewarding performance (good and bad).** When partners achieve their goals and contribute to the unified strategy of the firm, they should be rewarded, and when they do not contribute as expected and needed, they should not earn as much as those who did.

Your firm's development of a clear partner reward system is a critical element of your overall success, however, it is something that must be done after the elements of unity around strategy, definition of expectations, and mechanisms for monitoring, evaluating, and discussing partner performance have been put in place. To learn about an approach to partner compensation that we've seen drive performance, read our [\*Practice Perspectives\*](#) article.

The wonderful result of your firm's investment in these five important partner performance and accountability elements will be the ability to trust each other to do what's needed and that your processes for assigning responsibility and ownership, defining expectations and goals, and evaluating and rewarding performance are fair and that they contribute to you firm's success – now and in the future. And, as Carl S. Avery says, **"Trust enables you to put your deepest feelings and fears in the palm of your partner's hand, knowing they will be handled with care."** How great would it be to know you could do this? Implement this model and find out!

*For more information on our firm's partner performance and accountability services, contact Jennifer Wilson at [jen@convergencecoaching.com](mailto:jen@convergencecoaching.com) or (402) 933-2900.*

## **Practice Perspectives**

### **Driving Performance with Intelligent Partner Compensation**

As we discussed in our [\*Leadership Lessons\*](#) article, the partner accountability model is aimed at driving partner performance. It starts with trust and unity around a shared firm strategy, clear assignment of ownership and definition of partner roles, and the establishment of partner goals that are specific, measurable, realistic, and relevant. Performance is enhanced by monitoring progress along the way and providing effective feedback. Ultimately, successful performance is measured and rewarded by partner compensation.

The topic of compensation is inherently complex and subjective and is probably the least favorite subject among partner groups, but the one that gets a lot of air time because no one is really ever satisfied with what they

make, and all of us believe we would be happier making more.

Even so, a properly designed and well-thought-out partner compensation system can drive desired behaviors and inspire your partner group to high performance. Likewise, a poorly designed partner compensation system will motivate unwanted behaviors and discourage the all-important one firm culture needed to scale your firm and maximize profitability and consistency.

A good partner compensation system is:

- **Understood** by all (in writing)
- **Simple** (or as simple as possible)
- **Fair** – those who contribute the most get the most and those who contribute the least earn least
- **Trusted**
- Designed to drive the right behaviors (**performance based**)
- **Motivating** and inspiring

**A well-designed partner compensation system allows partners to easily understand their potential compensation in advance** and how they can affect their compensation both positively and negatively.

A simple and understandable partner compensation system must also be based on clearly stated expectations of what performance is expected and required. Such performance must clearly connect to and support the achievement of overall firm strategy as well as the specific goals assigned to each partner. **It's because of these ties to strategy, expectations, and goals that more work is required ahead of sitting down with spreadsheets, formulas, or allocation methods** – and this is the work that has often been overlooked, leading to the compensation system dissatisfaction we see in so many partner groups.

The most effective and simple partner compensation systems have the following three elements:

- **Base compensation or draw** – This is the amount paid on a regular (e.g., bi-weekly or monthly) basis to reflect the value of the partner's expected or minimum contribution to the business
- **Incentive compensation** – This is the compensation put "at risk" and paid upon achievement of both individual partner performance and the achievement of the overall firm strategy
- **Return on investment (ROI)** – This is an amount paid to compensate the partner's contribution of financial capital

The first step in establishing effective, performance-based partner compensation is to set up a compensation pool based on financial projections of firm revenues and profits. The next step is to determine "target" compensation for each partner based on the "value" assigned to various partner roles, such as client service partners, service line leaders, business developers, and the managing partner. This step is critical to the perceived fairness of partner compensation, and it is here that we must underscore our philosophy that **all partners are not created equal. Some contribute more overall value to the firm than others – and they should be paid more accordingly.**

While there is no "perfect" split between base and incentive compensation, too little at risk will not drive desired behaviors, and too much at risk, especially in the first year or two of a new system, may cause too much fear and uncertainty to be of value. In general, a split of 80% base and 20% incentive is typical in many firms. The payment of incentive compensation is subject to the indisputable achievement of specific, measurable, one-size-fits-one goals that are established for each partner each year and documented in writing. The ability to earn incentive compensation should also be tied to meeting specified minimum performance expectations for all partners around total hours, charge hours, revenue contribution, attending partner meetings, being a good citizen, getting billing done, managing WIP, and driving collections.

Firms must decide whether incentive compensation will be paid on pass/fail or percentage complete basis. Decisions are also required regarding what to do with incentive compensation monies that are not earned, for example distributing any "leftover" amounts based on ownership equity or only allowing those who met their incentives to share in that unallocated pool.

**Making changes to your partner compensation system must be transitional.** Partners need the time and opportunity to adjust to the level of performance required to earn their incentive compensation or adjust their lifestyle in accordance with lower anticipated earnings going forward.

**Partner compensation is both the “driver” and “end result” of an effective partner accountability model.** We encourage you to apply these concepts to transform your partner compensation system so that it rewards partners for both individual and overall firm success. **If you would like to discuss your firm’s compensation methods and how you’d like to evolve them,** please contact Jack Lee at [jack@convergencecoaching.com](mailto:jack@convergencecoaching.com) or (262) 618-4291.

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## News News

### ***Service Spotlight: Get Your Year-End CPE with Self-Study Courses from ConvergenceCoaching!***

We know how hard it is to get away from the office, especially during busy season, and the high cost of travel these days can make investing in CPE expensive. At ConvergenceCoaching, we recognize the need to have access to **high-quality, difference-making soft skills CPE** without having to travel. That’s why we’ve developed an online distance learning program that will enable you, and members of your team, to take high-quality courses **anytime from anywhere.**

Our online self-study courses, **Enhancing Your Networking and Social Media Skills, Maximizing Your Professional Image, Managing Difficult Conversations Successfully, and Mastering the Art of Time Management,** are perfect for preparing your team for the busy season ahead and to train everyone on the same courses, in the same way, over time. New employees can easily “catch up” on what others have learned at their convenience - after hours, from home if they choose, and at their own pace.

Visit [www.convergencelearning.com](http://www.convergencelearning.com) to review available course agendas and to register. For more information about our distance learning training options, including how you can license our online self-study platform for your firm to realize the convenience of customized, always available training for your entire team, e-mail [learningcenter@convergencecoaching.com](mailto:learningcenter@convergencecoaching.com).

P.S. While you are on our learning center, check out our live training options and our **Leadership and Communication, Business Development, and Marketing Toolsets!**

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## ***ConvergenceCoaching in the News***



ConvergenceCoaching’s own Jennifer Wilson has been named to **INSIDE Public Accounting’s Top 10 Most Recommended Consultants** list for the third consecutive year. In addition, she was honored for the eighth time as one of **Accounting Today’s Top 100 Most Influential People in Accounting.** We are so proud of Jennifer’s accomplishment and the recognition of our team for the difference-making work we enjoy so much!

In addition, we are regularly **featured authors for various industry publications.** Find us in **INSIDE Public Accounting, the AICPA’s CPA Insider,** and **Texas Society of CPAs TSCPA Public Practice E-News, Accounting Today/Accounting Tomorrow,** and as a frequent guest blogger on the **SpeedTax Blog.**

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## ***How Do You Stack Up?***

**Several important benchmarking survey results have been released.** Be sure to get your copy of the reports to gauge how your firm compares in a number of critical practice management areas, including revenue/revenue by practice area, billing rates, chargeability ratios, compensation, benefits, and other key performance indicators.

**AICPA’s 2010 PCPS/TSCPA National MAP Survey is available** for PCPS members and Texas Society participants **here** (free!) and available for purchase for non-member firms **here** (\$200 or \$100 if you are an AICPA member). **Become a PCPS member for \$35 per CPA (maximum \$700).** For more information, visit

[www.aicpa.org/pcps](http://www.aicpa.org/pcps), call 800-272-3476, or e-mail [pcps@aicpa.org](mailto:pcps@aicpa.org).

In addition, **The INSIDE Public Accounting National Benchmarking Report** can be ordered by filling out a simple form found [here](#) (\$409 for IPA members, \$449 for non-members) and **The Rosenberg Survey** can be ordered online [here](#) (\$450).

Watch your e-mail for an invitation to our **web seminar on January 18** where we will share the key findings from these survey reports!

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## ***Are You Ready for 2011 Planning?***

If you're planning a **firm retreat or strategic planning meeting for next spring or summer**, consider a ConvergenceCoaching facilitator! We can help your firm's leaders **gain unity** on the direction you're taking the firm, define the **measures of success** for getting there, and facilitate a working retreat with your leadership team. We'll work with you to identify your firm's key priorities and then create a plan to address them with a structure of openness, honesty, and true **accountability** during the retreat.

In addition, our **skills building programs** for partners, managers, firm administrators, and staff span all areas of your practice, including **business development, client service, leadership development and future leader training, succession planning, and human resource and management topics** - customized to meet your needs and objectives for firm retreats and summits, in-firm training activities, and other firm events.

If you would like to discuss your **retreat or tailored web-based or in-firm training for your firm or association**, please contact Krista Remer at [krista@convergencecoaching.com](mailto:krista@convergencecoaching.com) or (402) 891-6393.

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## ***Client Corner***

### ***Congrats to Our Clients for their Well-Deserved Awards!***

**Accounting Today's "Top 100 Firms"** list includes some of our valued clients: **BDO, Schenck Business Solutions, Habif, Arogeti & Wynne, LLP, Horne, and Kennedy and Coe. Clark Nuber and Macias Gini & O'Connell** made their **"Beyond the Top 100: Firms to Watch"** list. Congratulations!

Several of our clients were named to the *Accounting Today* and Harrisburg, PA's Best Companies **"2010 Best Accounting Companies to Work For"** list. Congratulations to **Barfield, Murphy, Shank & Smith, Clark Nuber, Pannell Kerr Forster of Texas, Ennis Pellum & Associates, CPAs, and DiSanto Priest & Co.** for your efforts in making your firms stand out in the marketplace as outstanding places to work!

**Arxis Technology, Inc. and SystemLink** were recently named as **Accounting Today "Technology Pacesetters,"** reserved for leading resellers and consultants of accounting technology that also strive to offer essential - and often new - services to their clients to provide them the most benefit possible. We applaud your work!

In addition, **Habif, Arogeti & Wynne, LLP** made **INSIDE Public Accounting's "Best of the Best"** list for 2010 and **Clark Nuber, PS, Miller Grossbard & Associates PC, and REDW** were named as one of their **"Best of the Best Honorable Mention Firms"** for 2010. Congratulations!

### ***SSARS 19 Toolkit for AICPA PCPS Members***

The AICPA's PCPS section has made a valuable **SSARS No. 19 toolkit** available to their members. The toolkit provides guidance on the implementation of SSARS No. 19 along with several tools and templates, such as an implementation checklist, template newsletter, FAQ document, and more to assist you in educating and communicating the impact of SSARS No. 19 in your firm and with your clients. Find out more by clicking [here](#).

### ***Welcome New Clients!***

The ConvergenceCoaching team welcomes our new clients to the Convergence circle of friends! Warmest welcome to:

**Casey Peterson & Associates, Ltd** in Rapid City, SD  
**Clark Nuber, PS** in Bellevue, WA  
**DiSanto, Priest & Co.** in Warwick, RI  
**Ennis, Pellum & Associates, P.A.** in Jacksonville, FL  
**Habif, Arogeti, & Wynne, LLP** in Atlanta, GA  
**Hansen, Barnett & Maxwell** in Salt Lake City, UT  
**Horne CPAs and Business Advisors** in Ridgeland, MS  
**Moquist Thorvilson Kaufmann Kennedy & Pieper, LLC** in Edina, MN  
**Weidmayer, Schneider, Raham & Bennett** in Ann Arbor, MI  
**Utah Association of CPAs** in Salt Lake City, UT

We are grateful that you have taken the ConvergenceCoaching leap of faith and look forward to making a difference for you and introducing you to our network of clients and friends!

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### ***Upcoming Web Seminars***

The ConvergenceCoaching team offers a **web seminar series** designed to help you develop “soft” skills in a variety of areas and earn continuing professional education (CPE) credit for only \$39 at the same time.

Please plan to join us for our upcoming 75-minute web seminars, which will be held at 11:00 a.m. Eastern Time on the following dates:

- **January 18 – Benchmarking Your Firm: Survey Results Overview**
  - **February 15 – Straight Talk to Drive Change**
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### ***Upcoming Speaking Events!***

The ConvergenceCoaching team will attend and speak at a number of events over the next several months, including:

#### **December 17**

##### **Utah Association of CPAs Winter Conference**

Salt Lake City, UT

[www.uacpa.org](http://www.uacpa.org)

##### **Presentation:**

> Trust: Developing It, Maintaining It, and Repairing It

#### **January 11 and 12**

##### **Texas Society of CPAs Fort Worth Chapter Tax Staff Training**

Fort Worth, TX

[www.fortworthcpa.org](http://www.fortworthcpa.org)

##### **Presentations:**

> Leadership, Ownership, Managing Client Expectations, and Communications  
> Time Management, Tax Preparation and Research Techniques

#### **January 12**

##### **PKF North America LP4 Webinar**

Online

[www.pkfna.org](http://www.pkfna.org)

##### **Presentation:**

> Trust: Developing It, Maintaining It, and Repairing It

#### **January 13**

##### **CPA Leadership Institute Webinar**

Online

[www.cpaleadership.com](http://www.cpaleadership.com)

##### **Presentation:**

> Building a Learning Culture in Your Firm

**January 13**

**BDO BeanFest**

Nashville, TN

[www.bdo.com](http://www.bdo.com)

**Presentation:**

> Expand Your Sphere of Influence to Deepen Client Relationships and Build More Business

**January 18**

**ConvergenceCoaching, LLC Webinar**

Online

[www.convergencelearning.com](http://www.convergencelearning.com)

**Presentation:**

> Benchmarking Your Firm: Survey Results Overview

**February 8**

**Association for Accounting Marketing (AAM) Minneapolis Chapter**

Minneapolis, MN

[www.accountingmarketing.org](http://www.accountingmarketing.org)

> Delivering Exceptional Client Service

**February 15**

**ConvergenceCoaching, LLC Webinar**

Online

[www.convergencelearning.com](http://www.convergencelearning.com)

**Presentation:**

> Straight Talk to Drive Change

**May 3**

**BDO Spring Conference**

Las Vegas, NV

[www.bdo.com](http://www.bdo.com)

**Presentations:**

- > What Makes Your Firm Special or Unique?
- > Strategic Selling: Closing the RIGHT Business
- > Delivering Exceptional Client Service
- > CPA Firm Success Metrics: Understanding Practice Economics

We hope to see you at these events and others in the future. Plan your calendars and register today! Let us know if you will be attending any of the venues where we will be speaking. We'd love to catch up with you!

To access our catalog with a complete listing of topics for **speaking, teaching, and custom in-firm programs** and updates to our speaking calendar, please visit [www.convergencecoaching.com/speakingevents.htm](http://www.convergencecoaching.com/speakingevents.htm).

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***Connect With Us Online***

**At ConvergenceCoaching, we believe that social media technologies are transforming the way we communicate, and we want to connect with you!**

Connect with our team members on **LinkedIn**:

- [www.linkedin.com/in/jackleecpa](http://www.linkedin.com/in/jackleecpa)
- [www.linkedin.com/in/jenniferwilsonprofile](http://www.linkedin.com/in/jenniferwilsonprofile)
- [www.linkedin.com/in/kristaremer](http://www.linkedin.com/in/kristaremer)
- [www.linkedin.com/in/michellebacaprofile](http://www.linkedin.com/in/michellebacaprofile)
- [www.linkedin.com/in/ruthleerichter](http://www.linkedin.com/in/ruthleerichter)
- [www.linkedin.com/in/tameraloerzel](http://www.linkedin.com/in/tameraloerzel)

Follow Jennifer Wilson's "tweets" on **Twitter**: <http://twitter.com/JenLeeWilson>

Join us on our firm's **Facebook** page: <http://tinyurl.com/yf6jfm>

And, don't forget to **read and subscribe to our blog**, "*Inspired Ideas*" at <http://blog.convergencecoaching.com>.

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### ***Spread the Word!***

If you know someone who would benefit from receiving their own copy of our Coaching Concepts e-newsletters along with invitations to our web seminars and other events, e-mail their information to us at [info@convergencecoaching.com](mailto:info@convergencecoaching.com).

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