



AN INTRODUCTION TO THE
SUCCESSION INSTITUTE
CPA LEADERSHIP
TRAINING PROGRAM



INTRODUCTION

OFTEN - THE STRONGER THE OWNER, THE WEAKER THE ORGANIZATION

Many Baby Boomers who are founding members of their firms have a strong entrepreneurial instinct, and have guided their firms successfully over the years, often through the sheer force of their will and personality. The partners of these entrepreneurs may not have had the opportunity to develop their leadership and decision-making skills under such strong leadership. Where and when will they learn, and at what cost? Poor decisions by poorly prepared successors can cripple a firm.

On the other side of this equation, a firm of poorly developed leaders is the direct result of a strong or forceful, but inadequate, entrepreneurial leader. A leader is often judged by 1) who they attract, and 2) whether their organization is ready to continue successfully without them. Developing management and leadership skills are core to positioning a firm for the future.

THE WRITING ON THE WALL

With many entrepreneurial partners looking at the near horizon to retire and sell their single largest asset (their firm), the accounting profession is facing profound changes. This is due primarily to the demographic forces it is facing, and these forces will not likely abate in the foreseeable future. In fact, it's likely to get worse before it gets better.

Consider these statistics:

- Approximately 40% of AICPA membership is over the age of 50
- In a recent survey of multi-owner CPA firms, we found that:
 - ~ Over half have not started succession planning
 - ~ Over 75% of smaller firms will have one or more owners retiring within the next few years
 - ~ Nearly 40% of the owners don't feel that they have partners to whom they can hand off leadership of their firm
 - ~ Less than a third are using any type of formal leadership development program for their partners

Start making those necessary changes you have knowingly been overlooking for the past decade or two --the value of your firm and your retirement income is at stake. It is not a quick change, so time is of the essence, and now is the right time to start.

PASSING THE TORCH WITHOUT GETTING BURNED

In the past, each retiring senior owner could count on two or more junior owners to take his or her place. In the very near future, senior owners will need to have developed their organizations in a way to allow the current partners to handle twice to three times the volume they currently manage. The implications of this change in business processes are significant since junior owners and managers (owners-to-be) must quickly ramp up their delegation and supervision skills, as well as their ability to manage clients. Additionally, the firm must hire and develop staff at a much higher rate so that there are more talented people to whom the owners and managers can delegate work.

If the remaining partners don't have the time (due to lack of delegation) or supportive infrastructure (due to the Upside-Down Staffing Pyramid™) to handle the client transfer from the retiring senior owners, there will be further implications. In all probability, the remaining firm owners will either not stay together and/or the benefits owed to the retired partners will never be paid in full. So the options remaining for such an ill-equipped firm typically will be to sell or merge the firm. However, the merger or sale strategy will be losing a little bit of its luster day by day. We believe the market for CPA firms, although strong or steady currently, will get softer, and it is our prediction that in the next several years, so many baby boomers will be retiring that it will become a buyer's market. The result will be predictably harsh financially for those who haven't created a foundation for enduring change at their firms and are forced to merge or sell their practices due to a lack of other viable options.



A SAFE PATH TO THE FUTURE

At the Succession Institute, we've developed a path for owners and other accounting firm leaders to follow that will help them navigate the obstacles to positive change and create a foundation for enduring value at their firms. The path starts with some orientation as to a leader's existing state of readiness through the use of our proprietary SIPA™ 360° performance assessment instrument. This provides opportunities for rare insight into what leaders are doing that's working well, and where the leaders need to improve their effectiveness. We also help each leader improve his or her self-awareness through the completion of other assessments and profiles, such as a personal style (limited personality profile) assessment, as we kick off the program.

Following this, we take the leaders through a rigorous program built around the Succession Institute's proprietary materials, customized for CPA firms, and augmented by Dr. Paul Hersey's exceptional Situational Leadership® program. In addition to covering best practices for managing a firm, how to implement optimal infrastructure to support continuity, how to better train, manage and motivate your people, and ways to evolve your influence and delegation skills, the participants come away with a better understanding of the changes they need to make personally to become more effective managers and leaders.

The program can be designed to include ongoing coaching assistance to help the participants develop more traction under their personal change efforts. Coaching is performed by members of the Succession Institute who each have over 30 years of experience as CPAs and in working with CPAs.

Finally, each leader will be evaluated after the program to provide them with feedback through a follow-up SIPA™ 360° performance assessment. This assessment will provide a comparison against the initial, baseline results and close the feedback loop for the leader.



SIPA™

(SUCCESSION INSTITUTE PERFORMANCE ASSESSMENT™)

The Succession Institute Performance Assessment™ (SIPA™) is a unique 360° assessment that clearly identifies the attributes that will help an individual become a more effective professional and leader. We offer two versions – the standard general business version, and a public accounting version which has been customized by the Succession Institute for leaders working in the accounting profession. Adapted from the standard QuadLead instrument, this assessment covers a variety of competencies found to be important for success as a professional in this demanding business environment. This tool was developed based on the insights and lessons learned from the world's greatest leaders and on our day-to-day work with CPAs from all sizes of public accounting firms who exhibit best practice professional and managerial skills and behaviors.

Developed utilizing primary and secondary research, the SIPA™ reflects the latest professional best practices among CPAs in public practice. This online assessment has been designed with practical business application in mind and is part of the Succession Institute Competency Framework™ which provides competency definitions for eight levels of positions within a typical CPA firm, from entry level staff to equity owner. The complete set of reports features a "Performance Index" which provides the overall effectiveness scores as perceived by Self, Boss, Peers, and Direct Reports. The unique "Report Card" feature clearly indicates the assessed person's Capabilities and Constraints as perceived by each of the groups evaluating the leader.

In addition to showing the capabilities and constraints that the evaluated professional brings to the table at his or her firm or area of responsibility, it also prioritizes these areas to help that person understand where to focus first on improvement efforts. The assessment report comes with a Resource Guide, a tool that allows participants and their bosses or coaches to map out a development plan that addresses the competencies by identifying specific behaviors which professionals with either high scores or low scores tend to exhibit under a particular competency.

The SIPA™ is used in our leadership programs to generate an overall baseline effectiveness score and to help participants identify where they stand at the beginning of the program. At the end of the program, we use it to compare progress achieved against the baseline established at the beginning.

Other Uses for This Assessment:

- At the Succession Institute, we use the SIPA™ and the Succession Institute Competency Framework™ to help CPA firms develop professional effectiveness throughout their organizations via performance evaluations, and career pathing, and to fill the leadership pipeline for assurance of smooth and successful transitions in the succession planning process.
- We use the SIPA™ to coach executive clients—partners and managers—toward improved individual performance as leaders and managers in their firms. The feedback from this instrument, coupled with the results of interviews, provide a valuable database to help improve a leader’s self-awareness.
- As a solution to leadership problems identified through our organizational development work when we survey staff and/or interview owners of accounting firms to help them prepare for planning meetings.
- The cornerstone for executive education and continuing professional education for owners, managers and supervisors in CPA firms.
- Management development/leadership development programs, incorporated as part of a formal or informal leadership development program within a CPA firm, or to accelerate the development of the next layer of leaders.
- Improve organizational effectiveness through improved managerial leadership practices and improved professional competencies from the top on down through the organization.

SITUATIONAL LEADERSHIP®

Bill and Dom, in their work with CPA firms, associations and companies of all sizes, have been teaching leadership and coaching individuals to become better managers and leaders for the past two decades. During this time, they have developed materials and delivered everything from keynote speeches and one-day workshops, to week-long training workshops on this subject matter. The late Dr. Paul Hersey's teachings and research conclusions from his best-selling book Situational Leadership® have always been a foundation for their understanding of how to develop leaders and leadership skills.

Because of this appreciation, the Succession Institute requested and was granted special Affiliate privileges by the The Center for Leadership Studies, Inc. so they could incorporate Dr. Hersey's materials into their programs. The Situational Leadership® materials are now part of our standard curriculum.

Situational Leadership® often makes up the first two days of the leadership programs our clients request. It is focused on helping partners, managers and/or supervisors understand how people are influenced as well as how to develop strategies for increasing your firm's productivity and improving the quality of your owners' and managers' effectiveness. By focusing on the skills necessary to constructively influence employees through proper delegation, supervision and development, Situational Leadership® complements and strengthens any existing management system, including the system used in the broader SIPA™ assessment.

Situational Leadership® is a proven and powerful skills-based program that teaches CPA firm owners, managers and supervisors how to vary their leadership style to match the behavioral needs of the individual or group they're attempting to influence, leading to improved employee performance.

When asked why SI switched from teaching just their own course materials to including those provided by The Center for Leadership Studies for additional support, the answer was simple:

"Not only are Dr. Hersey's materials excellent; as the founder of the field of Organizational Behavior, his research and teachings are the most field tested and practical to implement. The problem with most management training is that, while it is interesting and espouses values and ethics you

should live by, it doesn't teach you how to better lead and manage in practice. We should know ... We've been teaching in this area for a long time. With Dr. Hersey's materials, the training and feedback mechanisms are in sync and designed to help the leader -- and those who follow the leader-- evolve.

Once you have worked through this material, you are armed with a practical approach to management that can be implemented instantly. One final point! Dr. Hersey's training has predominantly been aimed at the Fortune 1000 and similar companies because of the resources required to support programming of this high caliber. As an affiliate of The Center for Leadership Studies, SI is well positioned to bring a new level of excellence to leadership and management training, as well as coaching, at a price that the small and medium sized companies and CPA firms we serve can afford."



AVAILABLE COURSE CONTENT

Leadership programs can be designed to fit the needs and budgets of client organizations and can include assessments on the front end, coaching throughout, and an assessment on the back end to verify progress. Our programs are developed and conducted by the founding members of the Succession Institute. They each have over 30 years of experience working with accounting and business executives. They understand the challenges leaders face in today's organizations and know what usually works to overcome those challenges. Our development and training offerings are experientially based to ensure that participants acquire the concepts and skills, using a multitude of media, techniques and tools, such as:

- Pre-work – multiple assessment instruments for style and skills feedback
- Lecture with application of real life situations
- Group facilitated discussions
- Written exercises
- Video presentations
- Behavior modeling examples
- Case studies
- Role play scenarios
- A simulator board game
- The development of action plans
- Coaching throughout the course period
- Post-workshop assessment to ascertain progress

Typical program content might include, depending on your needs:

- Assessments, with debriefings on the results
- Situational Leadership™
- Managerial leadership
- Communication
- Teamwork and team building
- Business development, including Most Trusted Business Advisor role
- Practice management, including structure, governance and profitability issues
- Motivation and accountability
- Conflict management and negotiations
- Change management
- Other customized content as required
- Capstone projects to utilize skills learned in the program back at the firm

Together these activities and components will make up a highly interactive and effective development system that challenges the participants to evolve, create a personal roadmap for change, and increase their skill levels while enjoying the learning environment. We invite your calls and questions about how we can create and deliver the kind of leadership and professional skills training that your firm needs.

Please call us to discuss your organization's needs: 512.338.1006



PROGRAM FACULTY



Bill Reeb, CPA, CITP, CGMA, Co-Founder and CEO

Bill has been consulting for three decades to all sizes of businesses, from Mom and Pop operations to Fortune 100 companies, primarily in the areas of organizational structure and processes, governance, automation, and revenue generation. He decided to add the credentials of CPA behind his advisory work and became a CPA in 1986. Prior to his life as a CPA, he worked for IBM in sales back in the late 70's. As an entrepreneur, Bill has founded seven small businesses, he had two ladies clothing stores, one retail computer software store, a software development firm, a computer consulting firm, a CPA firm, and his current management consulting firm - Succession Institute, LLC.

As an award-winning public speaker, Bill lectures throughout the U.S. and Canada to thousands of executives and CPAs each year. In addition, he has been featured on numerous video-taped and live television programs. As an award-winning author, Bill is internationally published with hundreds of articles and columns to his credit. He currently authors a bi-monthly column called "In the Billiverse" which is distributed by over 14 State CPA Societies as part of their Practice Management e-newsletter. Besides being published by various magazines, journals and newspapers, Bill's first book on Succession is titled *Securing the Future: Succession Planning Basics*. He and his partner Dom co-authored the Succession Resource Center website materials for PCPS in 2008, a second book on Succession, *Securing the Future: Taking Succession to the Next Level*, and the fourth edition of their consulting book called *Becoming A Trusted Advisor, How to Add Value, Improve Client Loyalty, and Increase Profits*, with both of the last two books published by the AICPA in 2010. Finally, Bill is finishing up his newest book, to be published in July-August of 2013, titled *The Overachiever's Guide to Getting Unstuck: Insight from the World of Business and Martial Arts*.

Bill is an active volunteer within his profession having served in many leadership roles in both the State and National organizations. Currently, he is a member of the AICPA Board of Directors and a past commissioner on the AICPA's National Accreditation Commission. He has been honored by being named as a CPA Ambassador, was presented the Pathfinder Award and served as the Texas Vision Delegate. Accounting Today has recognized his efforts by listing him as one of the Top 100 Most Influential CPAs, CPA Magazine has named him as one of the Top 100 Most Influential Practitioners, and Inside Public Accounting has listed him as one of the top 10 most recommended CPA firm consultants.

Finally, Bill enjoys a number of hobbies. He is an avid golfer, skier, and enjoys hiking. He spends the majority of his free time as an instructor teaching (as well as continually learning) six different styles of martial arts.



Dominic Cingoranelli, CPA, CGMA, CMC®, Co-Founder and Executive Vice President Consulting Services

Dom has been consulting for three decades to a variety of organizations, from professional services firms, to nonprofits, construction companies and Fortune 500 and ENR 500 companies. At the Succession Institute, Dom helps professional service firms create practical succession plans and manage the transition from one generation of leaders to the next, as well as assisting with general practice management issues and leadership development.

In addition to being a CPA and CGMA, Dom is a Certified Management Consultant. He holds an MBA from Regis University and speaks frequently on management and consulting topics. He has made presentations at AICPA conferences, State societies of CPAs and CPA firm association conferences, as well as the Annual Conference of the Institute of Management Consultants—USA. Dom has created CPE offerings on matters ranging from strategic planning, to partnering on construction projects, to professional firm practice management, succession management and leadership development.

In addition to his CPE courses, Dom has been published in the Journal of Accountancy, The CPA Journal, The Practicing CPA, CPA Insider, CPA Management Consultant, Constructor, Broker, and other state, regional and national media. Many of his position papers can be downloaded from the Succession Institute website at www.successioninstitute.com.

Dom has been quoted in the Dow Jones Wealth Manager, CPA Insider, the Journal of Accountancy, and the Construction Company Strategist. In addition to the frequent video webcasts that he and his partner, Bill Reeb conduct for the Succession Institute, he has participated in national webcasts for IOMA and the AICPA on CPA firm management, risk management and succession planning issues.

Besides co-authoring the recently published book *Becoming A Trusted Business Advisor*, Dom co-authored another new book on Succession Management, *Securing the Future: Taking Succession to the Next Level*, published by the AICPA. He also co-authored the Succession Resource Center website materials for PCPS in 2008 and the PCPS Trusted Business Advisor website in 2009.

Dom has served in a variety of leadership positions for nonprofit and professional organizations. He chaired the Management Consulting Services Committee for the Colorado Society of CPAs and served on a variety of AICPA committees, with his most recent position being that of Chair of the Consulting Services Executive Committee. He also has assisted as a panel member for interviews of candidates for the CMC® designation at the IMC-USA.



Michaelle Cameron, Ph.D., MBA, Co-Founder and Executive Vice President Assessments and Learning

Michaelle is Executive Vice President of Assessment and Learning for the Succession Institute and specializes in marketing research, online course development and 360 leadership assessments. She has been the internal project leader in developing numerous online surveys for the AICPA, several CPA States Societies and client surveys. She also consults with firms in the areas of marketing planning and practice development. With a varied educational background, Michaelle brings diverse perspectives to her work utilizing her PhD in marketing from the University of Texas at Arlington, an MBA in accounting from the University of Texas at Austin and a BA in psychology from Youngstown State University.

Besides her work as a professor and as a consultant, Michaelle has cofounded three businesses in the retail, software and consulting industries. Her work as an entrepreneur has given her an important grounding between the theory and implementation of ideas in the workplace. She also has fourteen years of experience in sales, marketing and product development with IBM. During her early tenure with IBM, Michaelle worked in sales, support and executive training. During her later years there, she was a product planner helping design and develop products from inspiration through product launch.

As an award winning author, Michaelle has published numerous scholarly articles as well as practitioner articles in the *Journal of Accountancy* and *Today's CPA*. She has won awards for both her scholarly and practitioner-oriented writing.

As the chair of Marketing at St. Edwards University, she designed both the graduate and undergraduate marketing curriculum, measured and managed learning outcomes and assessments, created numerous online courses, as well as hired and trained faculty for the department. During her tenure as marketing chair the department experienced significant growth in enrollment while also substantially increasing the SAT scores of the students admitted to the program. Michaelle was instrumental in the creation of innovative graduate programs that addressed the business of technology, including a digital MBA and a concentration in E-business.



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