



The 10 C's of Great Leaders

Allan Koltin, CPA, details what the best
CPA firm leaders have in common.

Allan Koltin, CPA, is CEO of Koltin Consulting Group, a Chicago-based consultancy that works with financial and professional services firms in the areas of practice management, mergers and acquisitions, executive search, and practice growth. Recognized as among the most influential thought leaders in the accounting profession, Koltin frequently is quoted by publications including *The Wall Street Journal*, *The New York Times*, *The Washington Post*, *USA Today*, *The Los Angeles Times*, and *Forbes*; news services including Bloomberg News, Reuters, and the BBC World Service; and TV networks including CNN and Fox. He also has spoken at hundreds of conferences worldwide and written three books published by the AICPA.



Our firm works with the majority of the 200 largest U.S. public accounting firms. We talked to many of those firms' CEOs and other leaders in the accounting profession. Our quest was to discover the common traits of great leaders in our profession. From that research came what we call the 10 C's of Great Leaders.

THE FIRST C: COMPETITIVE SPIRIT

All of the great leaders in our profession seem to have a will to win. More importantly, they have a will to win by doing things the right way. One of the leaders we talked to said, "When it's a question of making money versus doing what's right, integrity should always trump economics."

What we found is great leaders always want to improve and be the best. I think this drive comes from a deeply rooted belief that if you stop growing or bettering yourself, you die.

THE SECOND C: CLUTTER

To understand the second C, it helps to know the three parts of leadership.

Administration. This is the lowest rung on the leadership ladder. To us, administration is about keeping score. It's doing things that need to get done but don't involve persuading people to change their behavior.

Management. This is a much higher level than administration. By our definition, management refers to producing results through others. It's about getting people to a place they probably could not reach on their own. The question I always ask firm CEOs is, "Is the firm managing the partners, or are the partners managing the firm?" Great CEOs also are great coaches.

Leadership. Not one of the CEOs of the 200 largest firms ever had a high school, college, or even graduate school course in visioning and leadership. The visioning skills most of them learned came from the school of hard knocks. What are visioning skills? They are the ability to look at the business, assessing where it is today and where it needs to go to become successful, and then fiercely driving the ship in that direction. This is a rare skill set.

Getting back to the second C, we found that some CEOs are busy with what we call clutter—things that are in the bottom level ▶

of the food chain, administrative tasks such as getting monthly reports out, planning the holiday party, and sitting behind their desks. CEOs who can cut through the clutter to focus on the most important, most strategic issues have a competitive advantage over those CEOs who become bogged down in busywork.

THE THIRD C: COHESIVENESS

Cohesiveness refers to the leader's ability to gain the support of the partners and to get everyone on the same page without wielding a big stick. Great leaders lead not because of where their name is on the org chart but because partners want to follow their lead.

Leaders who excel at building cohesive partner groups know how to sell ideas to partners. Perhaps more importantly, these leaders know which partners will need convincing and what they will have to do to get each one on board with the plan.

THE FOURTH C: CANDIDNESS

This skill is the one we found least often among the CEOs in our study. Another way to describe this skill would be with two more C words: constructive confrontation. When a partner or partners are not performing up to par, a candid leader possesses the unique ability to tell them face to face what they are doing wrong and what they need to change or improve. The leader does this without waving a finger and saying, "You have to change right now." The candid leader can deliver a brutally honest message in an adult-to-adult manner that shows respect to the partner.

One of the leaders in our study says he always starts off a conversation with a partner about a delicate issue by saying, "I love you, but ..." He then addresses the problem by asking the partner to "help me with this." Another CEO said that whenever he tries to change the behavior of one of his partners, he goes through an exercise in which he says, "Let's reverse roles here. You argue my case, and I'll argue your case. That will help both of us to bridge that gap."

THE FIFTH C: CRYSTAL-CLEAR VISION

Great leaders live and breathe their firm's vision well beyond the strategic plan itself. They have a crystal-clear understanding of what they want the firm to become, and they immerse themselves in making that vision a reality. In the process, they inspire the other partners to embrace that vision.

How can you tell if an organization shares its leader's vision? There are two tell-alls, both of which you can uncover simply by asking the partners and staff about the firm's vision. If they refer to the "leader's vision," that's a clear sign that the leader has failed to connect with the troops and make them contagiously enthusiastic about where the firm is going. If when asked about the vision they respond by saying, "I don't know," or, "We are working on an update to our strategic plan," then you know they have not connected with the leader's vision.

Vision is hard. Leaders have to look at the size of the firm, the market (or markets) they are in, and the products and services they offer. Leaders have to ask the partners, "How much of our capital do we want to invest today in the future potential of what our business could be?" The responses will run the gamut. Some partners are completely risk averse, while others are never satisfied. We group partners into another list of C's. Some partners are content with the status quo. Others are climbers, looking to reach new heights, while others are the crazies (see "The Eighth C: Crazy"). They are the leaders. The culture of your firm depends on what type of partners you have.

Another big factor is yet another C: compensation. If your compensation structure calls for partners to eat what they kill, then the partners have little incentive to take risks to build shareholder value. If the compensation structure rewards partners for overall firm goals, the focus will shift from the self to the whole.

THE SIXTH C: CURIOUS

I recently spoke at the AICPA Major Firms Group meeting in Naples, Fla. The CEOs

of the 100 largest accounting firms were all in the room. Watching the CEOs during my speech and those of other speakers, it hit me how great leaders immerse themselves in being great listeners and asking a lot of questions about other firms' performance. As one CEO said to me, "I've learned to listen, so I can listen to learn."

The best in breed take notes. They are always figuring out whom they want to sit next to, network and share ideas with, and learn from. You might think that the most successful people in the room would be content or have a know-it-all mentality, but I find that the really great leaders are continually seeking to soak up knowledge.

THE SEVENTH C: CONTAGIOUS ENTHUSIASM

This refers to the ability to rally the troops during tough times and to keep them unified. It is the ability to create themes that inspire the firm to take the negative energy of difficult situations and channel it into positive energy.

One of the CEOs we talked to on the West Coast created a great theme for his firm. He told his team that "a recession is a terrible thing to waste. We are going to take advantage of it. We're going to go out and visit all of our clients. We need to show them we care and brainstorm with them on changes they need to make to their business to survive."

It wasn't about the next tax return or audit. It was about being there as the business adviser, because that's what the clients needed at the time. And it worked.

THE EIGHTH C: CRAZY

Great leaders—or crazies, as we love to call them—don't follow. They innovate. They create. They aren't afraid of what others think or of making a decision that might hurt their popularity within the firm. Crazies have a passionate belief in what they want to achieve for their partners and shareholders, then they go out and do it. Sometimes, the partners shake their heads at the ideas and think that their leader is "losing it." But they eventually rally around

the leader in support of the cause.

Why? It all comes back to vision. Great leaders don't just peer down the dark tunnel and see where the light is coming from, they take their firm to the light, even when the path they choose seems crazy.

THE NINTH C: CHANGE AGENT

You can make an argument that the most important skill for a CPA firm leader is the ability to change partner beliefs and behaviors. This starts with applying the fourth C, candidness, to tell partners, "Here is where your performance is today, and here's where you need to go, and here's what you can become." The leaders then get the partners to believe they are worth more than they perceive themselves to be—whether it's by raising rates or trying different things with clients or even helping partners to mentor, coach, and lead staff.

Great leaders have the ability to get in partners' heads, change their behavior or beliefs, and get the partners to raise the bar for their own performance and the performance of those around them. This is such a tough, tough skill. We all wish we could do it, but, boy, is it difficult.

THE 10TH C: COMMUNICATION

Great leaders know how to communicate to different audiences—partners, staff, clients, and members of the community, such as referral sources or influencers. The best communicators always seem to have, somewhere along the way, read a psychology book or two. They can convey their message and influence behavior in different ways.

For example, great leaders understand that the best thing they can do with an overachieving partner is to leave that person alone. The message to the partner is, "You are always going to produce, and I

don't need to spend a lot of time coaching you." At the other end of the spectrum are partners who "need a lot of lovin'." If you don't communicate consistently with these partners, they think you don't care, and their performance can suffer. They are just wired differently.

Great leaders know not only what motivates each partner, but how and why each partner is different. For example, there is a theory that the No. 1 motivation for most people is themselves, but I believe that a close second is having a great coach or mentor who is looking out for you and who really cares for you. My mom used to say these magical words to me: "Allan, you can do it. I know you can." Just knowing that someone else believed in me gave me the confidence and drive to keep climbing the great mountain of life. ♦

—As told to Jeff Drew (jdrew@aicpa.org),
a JofA senior editor

AICPA® Information Management and Technology Assurance Section

Sometimes "IT" just isn't a big enough word to convey all that you do.

Welcome to the **Information Management and Technology Assurance Section**.

The name of the section has changed to reflect all that you do and all that we have to offer you.

Learn more at aicpa.org/IMTA.

