

## A Post-Pandemic To-Do List

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The coronavirus pandemic continues to test the accounting profession in unprecedented ways and, for the most part, accountants are rising to these unique challenges — advising clients on how to keep their businesses afloat while focusing on the recovery of their own practices and people. Now, as the economy slowly reopens, accountants enter a new normal that will require carrying over lessons from the height of the crisis while contending with the reality left in its wake.

*Accounting Today* spoke to a panel of the profession’s thought leaders about what exactly that post-pandemic landscape will look like, and how accounting professionals can best equip themselves to survive and even thrive.

Accounting firms and personnel returning to their offices is just the latest milestone in a series of tough transitions — each presenting firm leadership with the opportunity to push through a host of long-overdue transformations.

“The pandemic is giving firms a reason to embrace change like never before,” said Marc Rosenberg, president of The Rosenberg Associates. “Why? Because they have (or will have) no choice. Life at CPA firms as we knew it pre-pandemic will never return. Normal is gone. Get over it. Firms’ attitudes must be to innovate and make changes today, instead of waiting for miracles to happen.”

“Going forward, firms must consider that the strategies and initiatives to drive revenue that were discussed at the last partner meeting may no longer apply. Why? Because ‘there’ has shifted,” said Kimberly Ellison-Taylor, executive director of finance thought leadership for the cloud business group at Oracle, and a past chair of the American Institute of CPAs. “Customers, clients and business partners have new requirements that in turn firms must not only respond to but must be in a position to offer trusted guidance and assistance.”

### **Enhance communication**

Improving talent and relationship management has long been a goal for many CPA firms, but it’s become even more urgent as workforces are dispersed, creating new communication challenges.

Rosenberg stressed “the importance of partners communicating with staff. This was never easy for CPA firms and was done inconsistently and somewhat poorly before the pandemic, but communication is much more difficult now because firms’ personnel are not all in the same office anymore. Partners in particular now need to be much more deliberate and planful about keeping in touch with staff, not only regarding their client work but their training, development and morale. Partners must get resourceful and proficient at learning how to mentor people by looking in a video screen.”

Koltin Consulting Group CEO Allan Koltin was optimistic: “I think firms have learned better ways to communicate with each other. Leaders are telling me that they are learning more about their people’s personal lives than they ever knew. In the past, it was probably more lip service and standardized questions from HR to ask about. Now, it’s real world and real time! I think firms are learning the value of being ‘virtual — face to face’ and that the quality of the communications is 75 percent to 90 percent as good as face to face. This applies internally, as well as when talking to clients and potential clients.”

Angie Grissom, president of The Rainmaker Companies, also stressed the importance of strong communication, particularly from the top: “Leaders will understand the importance of more transparency and communication. Team members value transparency and communication. Practice more of both. The firms who do a better job getting in front of questions and uncertainties have more confidence in their leaders and show more loyalty to their firms.”

Ron Baker, founder of the VeraSage Institute, emphasized client-facing communication: “CPAs are in a relationship-based business. What matters is not the math of the moment but the lifetime value of those relationships. Too many of our leaders are focused on selling time and transactions, rather than developing deep, trusting relationships that create annuities of lifetime value for both the firm and the customer.”

“Amid these trying times, the more interaction firms have with clients, the better,” agreed Ralph Thomas, CEO and executive director of the New Jersey Society of CPAs. “Team approaches to client service are essential (not just partner interaction) because it helps ensure connectivity, problem-solving and communication with clients.”

And as firms take a more proactive approach to communication, they should consider a deeper development of all soft skills, according to thought leaders.

“Now is a great time to learn or change a habit,” advised L. Gary Boomer, visionary and strategist at Boomer Consulting. “Social skills are just as important as technical skills in the new service economy. This is about unique-ability teams providing clients with the services they want and need, and not about rugged individualists.”

## **Work with your people**

Firms that realize staff often prefer more flexible work arrangements will be rewarded with fewer hiring restrictions, according to Jeff Phillips, CEO of Accountingfly.

“Some of your best people are not ever going to return to an office again, and I hope firms learn that’s OK,” he said. “If they learn that lesson, they’ll realize they can solve their own war for talent by quickly and easily hiring remote A-player talent based anywhere in the U.S.”

Developing and retaining this top-notch talent remains just as important.

“The need for leadership and people development is more critical than ever,” said Gale Crosley, president of Crosley+Co. “Many firms routinely carry poor performers and fail to develop leaders. The result is a daily experience in frustration and compromised team performance. In times like these, optimizing leadership and performance has never been more critical.”

Grissom expects leaders to continue to see their people rise to these new challenges. “A newfound confidence in the agility of teams will emerge,” she predicted. “Firm leaders are seeing how their teams have transitioned in this pandemic, juggling their workload with their families at home, and learned to assist clients in a new way. We should be giving our teams more credit for being agile.”

Jennifer Wilson, co-founder and partner of ConvergenceCoaching, echoed that sentiment: “Our young leaders can operate at a higher level than we thought before the crisis and we should have them continue operating at the new level when it’s over.”

While the response of many teams has been encouraging, firms must forge ahead with their professional development efforts.

“As firms develop their strategies over the next few months, they should have a laser focus on talent retention and upskilling, process improvement, technology infrastructure, and new services for growth in the advisory area,” explained Sandra Wiley, president of Boomer Consulting. “They have the ability to create a new and amazing business model or make no changes and fall behind.”

## **Identify innovation**

While the crisis forced firms into embracing changes in certain operations and processes, now is the time to focus on other areas in need of more intentional innovation.

“It is clear the firms that were making investments for the future and pushing the boundaries on innovation in the kinds of services they offer are the ones that are best positioned to weather this crisis and help their clients get back on their feet,”

said Erik Asgeirsson, president and CEO of CPA.com. “I also think the ‘If it ain’t broke, don’t fix it’ mindset that some traditional firms had when the economy was in high gear — the idea that you don’t need to aggressively invest in new technology and evolution of services — has changed overnight.”

Investment in the right tools and technology will, as always, be a vital part of the innovation process.

“Accountants everywhere should be embracing the technology tools that are changing our lives,” said David Bergstein, strategic account manager with the accountant and advisory group at Intuit. “As time marches on and changes occur, so a firm should never put off for tomorrow what can be done today.”

“Firms have been hearing about automation, artificial intelligence and machine learning for years, but few have paid attention to how it can impact what they do and how they serve their clients,” said Jody Padar, vice president of strategy at Botkeeper. “This is really a big part of our future profession and more people need to utilize technologies like these or they will cease to exist as the competition makes what they do and how they do it irrelevant.”

Of course, cutting-edge tools will only be as successful as the strategy behind implementing them.

“I believe firm leaders are really beginning to understand the value of ‘protected strategic time’ personally and for their team,” said Wiley. “As they recapture time that they used to spend commuting and in multiple in-person meetings at the office, they have more space to focus. Many are spending time on new strategic and innovative projects. Mentoring their future leaders, learning new skills themselves, identifying new opportunities with their ‘A’ clients, and improving their processes in all areas of the firm. It is an exciting time for those that recognize that this is truly ‘their moment.’”

## **Evaluate pricing models**

More panelists shared specific areas where they believe the “new normal” can prompt innovation of old processes in accounting. The hourly billing model was on the top of the list for many.

VeraSage’s Baker called out “the need to change our profession’s predominant business model. If you are still hourly billing, your firm is mired in a transactional relationship with your customers based upon inputs, and those are easy to sever when times are tough. Further, there aren’t many strategies you can deploy under this model in a time of crisis other than the usual: reducing costs, capital investments and talent; or increasing efficiency and hourly rates. The problem is, none of these have anything to do with the actual relationship with your customer.”

Boomer had similar advice: “The existing business model does not meet the needs of most clients or firms. You should move to the subscription model in order to attract new business and retain existing clients. Value can be created through packaging and pricing. Leadership, relationships and innovation create all value. Leadership provides direction, relationships provide confidence, and innovation provides new capabilities.”

The pandemic has proven the high worth of CPAs and their services, agreed Wilson. “Advisory services are always needed and firms can package and price ongoing coaching services to help clients in ways similar to the help they have needed with COVID-19 — you can package, price and productize your general advisory services and make a wonderful difference for clients,” she said.

While the crisis has thrust formidable challenges on the profession, thought leaders agreed that the firms that not only navigate these changes but anticipate their future ripples will persevere.

“We can’t go back to the way things were, so we need to get comfortable with the uncomfortableness we face,” said Padar. “I never thought it would take a pandemic to fully radicalize a profession. I wouldn’t wish it on the world, but my favorite mantra is, ‘The world has changed.’ COVID-19 certainly accelerated the changes and innovation the radical CPAs began years ago. Soon those radical ideas won’t be radical anymore because of the culture shift that COVID-19 has forced.”