



# Public Accounting Report

THE INDEPENDENT NEWSLETTER OF THE ACCOUNTING PROFESSION SINCE 1978

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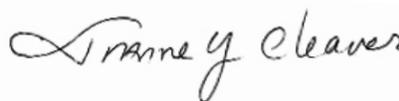
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## Advancing Women Dominates Today's Business News; Affects Clients and Firms

In every industry, every level of government, at nonprofits, think tanks, and businesses of all sizes, everyone is trying to figure out why more women aren't in leadership and what to do about it.

Your clients are trying to figure out this quandary too. And with this *Public Accounting Report EXTRA*, which provides focused insight on what really works to advance women, you have powerful insights to share with your clients.

*PAR* is proud to partner with the Accounting MOVE Project to help disseminate this indispensable information throughout the public accounting profession. Wolters Kluwer, publisher of *PAR*, neither pays nor receives any fees associated with this survey and did not participate in data collection. Participating firms pay a small fee to Chicago-based Wilson-Taylor Associates, Inc. for the individualized benchmark reports associated with this survey. *PAR* is publishing this survey as a complimentary special supplement to our readers. The MOVE project is sponsored by the organizations noted below. MOVE results are based on surveys and interviews with 47 participating firms comprising 21,664 employees, conducted from November 2014 to March 2015. ■



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## 2015 Accounting MOVE Project Overview

### Advance Women to Drive Short-Term Success and Sustainable Growth

Good news: More accounting firms have success stories that prove that when male and female leaders make it a priority to advance women, they achieve their goals.

And they are sharing that good news with clients, employees, and their communities in more ways than ever.

Women are reshaping firms' reputations. A number of prominent firms—among them, **Plante Moran**, based in Southfield, Mich.—are accelerating efforts to position women as thought leaders in their industries and business communities. This is a moment for women in the profession to step into the spotlight. And, as personal moments of insight are both illuminating and inspiring, the theme of the 2015 Accounting MOVE Project report is “Lightbulb Moments That Show the Way,” which illustrates how personal insights result in real change. (See excerpt, page 6.)

**“If our bottom line performance wasn’t what it needed to be, we’d take action. If our clients weren’t satisfied, we’d move mountains. If our talent isn’t emerging as we need it to, why wouldn’t we take action?”—Risa Lavine, principal, chief of staff, CohnReznick, based in New York.**

The spotlight is great, but can it be monetized?

Yes...and it should be. Women want their success stories to be their firms', and vice versa.

That's why business development skills training and experience must unfold in sync with career progression and work-life programs. Blend business development into training at each career stage and women grow their confidence, networks, and ability to win clients at every level.

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In mid-2014, after the publication of the 2014 Accounting MOVE Project report and *PAR EXTRA* associated with it, a rush of technology companies released diversity numbers. But several leading accounting firms were a step ahead of them: Seattle-based **Moss Adams** has been publishing annual reports for its multifaceted women's initiative, Forum W, since the program's inception in 2008, and **Dixon Hughes Goodman**, based in Charlotte, N.C., unveiled a remarkable freestanding website, [womenforward.com](http://womenforward.com), that lays out the business case for advancing women and the firm's plan for retaining more women in the partnership pipeline.

MOVE firms are hiring new women accounting graduates at higher rates than firms overall, as reflected in the most recent **AICPA** demographic survey of new graduates (2013 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits).

The AICPA found that women comprised 47% of new hires (down from a peak of 60% in 2001), while women comprised 51% of new hires at MOVE firms in 2014.

Public Accounting Report					
The Pipeline of Women—2015 MOVE Project Metrics					
All MOVE Accounting and Consulting Firms					
Women Employees and Managers as a Proportion of ALL	2015	2014	2013	2012	2011
% Women on Management Committee	23%	19%	20%	23%	17%
% Women Partners & Principals	22%	19%	19%	17%	17%
% Women Directors	30%	41%	43%	27%	25%
% Women Senior Managers	47%	44%	44%	40%	38%
% Women Managers	50%	51%	51%	52%	46%
% Women Career Professionals <small>(MOVE uses the AICPA definition: a professional at the senior or manager level who will work in the current role for the indefinite future.)</small>	57%	54%	48%	62%	56%
% Women Professionals	47%	45%	45%	44%	46%
% Women Supervisors/Senior Staff	52%	48%	48%	49%	48%
% Women Associates	52%	48%	53%	52%	51%
% Women New Hires	51%	48%	50%	51%	49%
% Women Full-Time U.S. Employees	51%	51%	51%	51%	51%
<b>Source:</b> 2015 MOVE Project					

Nearly across the board, firms are seeing a steady, gradual increase in the proportion of women partners. While the proportion of women in the pipeline is also increasing, the retention rate of women from the brink of partnership (senior manager) to partner or principal is improving slowly. In 2014, the retention rate was 45%; in 2015, it is 47%. This pattern holds at firms of all sizes. A major advance is the proportion of women as members of firm management committees: While many firms still have none, women now comprise 23% of management committee members at MOVE firms, up from 19% in 2014. ■

## Capture Hard Results from Soft Skills

Firms are finding new ways to measure their investments in business and leadership development for all employees, especially women.

**Rehmann**, based in Saginaw, Mich., isn't just scrutinizing its leadership pipeline. It's re-engineering the entire plumbing system.

Women comprise a respectable 24% of partners and principals at the firm, and more are on the way, with women accounting for 77% of firm managers and 52% of senior managers. But an imminent wave of retiring partners has Rehmann leadership drilling down to specifics: Which development programs—especially business development—are best qualifying tomorrow's leaders in each of the firm's core lines of business? What precise programs, consultants and coaches deliver the greatest return and deserve even more investment?

It's a truism to the point of cliché that what gets measured gets done. As succession planning turns into succession pressure, firms are trying to understand how talent development and women's initiatives intersect with firm growth goals. Some are examining how their practice management or client relationship management systems can yield insights about which business development programs actually work. When merged with data from talent management or human resources information systems, data from client or practice systems can help firm leaders track the progression of partner-track staff—ensuring that women stay on the radar.

As firms circle the complex decision to upgrade or adopt a suite of theoretically intersecting management systems, some are examining how to use the systems to support business development investments. Useful dashboards deliver breakouts by gender, office, practice area, special skills, specific training programs and consultants, career path and additional factors.

Regardless of the system, the most essential factor is motivation, in the opinion of software consultants who specialize in practice management and client relationship management (CRM) systems.

Tracking the results of business development programs is more about overall practice management than just bird-dogging individual prospects, said Peter Coburn, president of **Commercial Logic Inc.**, based in Hanover, N.H., a software consultant and vendor for Sydney-based APS. Firm leaders need to see which people are coming along and what business is coming along, he said. "The measurement process puts the advancement of women in the mainstream of strategic planning," Coburn said.

Measuring the results of business development training and women's initiatives is partly an issue of making it a priority, said Danny Estrada, CRM practice director for national consulting firm Net@Work, based in New York. "If it's important enough to track, then track it," he said. "The platform can handle anything you care about."

### Build Business While Building Your Pipeline

Each firm has to choose the metrics that best reflect its career paths and growth patterns. The most commonly used data points for tracking the advancement of women include:

- The percentage of women moving into the partnership pipeline,
- The percentage of women responsible for bringing in new business, and,
- The percentage of women retaining business.

These numbers mean much more when firms can see how their investments in women's initiatives and business development programs pay off. Firms win the data battle on two fronts: getting the right data in the right place, and then extracting insights that they can use to re-invest in programs that deliver real results.

The pivot point, said CRM company executives, is merging human resources and training data with business development data. Just adding gender identification tags to CRM files is simple, noted Greg Friedman, CEO of **Junxure**, a Raleigh, N.C.-based company that creates CRM software for wealth management offices. But, he added, the information is valuable only in the context of employee productivity and the development plan for that staffer.

**“If you don't track metrics, you help individual women, but you aren't helping women in your firm overall, which builds the business case.” — Melissa McClenaghan Martin, president, M3 Strategic Alliances, New York.**

One CohnReznick partner created a spreadsheet dashboard that links business development cultivation with results. Each manager in the office used the dashboard template to track key metrics, including training and coaching events, follow-up techniques, participation in client pursuit meetings, and dollar goals. Every six weeks, the partner reviewed the activities and results with staff. This process allowed for fast, focused correlation of training, outreach and results. The partner also used this data to advocate for candidates for promotion.

CohnReznick leaders said that a culture of measurement helps them pinpoint results even from supposedly soft programs. For instance, they are tracking retention of mid-level women who take advantage of the firm's work-life programs.

## Prove the Business Case, Propelling Firm and Individual Growth

One way to start measuring is by matching the retention and career progress of women who have participated in the longest-running leadership development or women's development programs, advised James C. Bourke, partner-in-charge of technology for **WithumSmith+Brown**, based in Red Bank, N.J.

Partners also need to understand the constellation of training, networking, and progress in bringing in new business so they can project likely performance, and thus estimate the importance of retaining rising leaders, said Jim Boomer, chief information officer for **Boomer Consulting, Inc.**, based in Manhattan, Kan. “And that gives you evidence for crafting a custom arrangement for retaining her,” he said.

Powerful evidence fuels re-investment in the most effective programs, which is why **Rothstein Kass** (formerly based in Roseland, N.J., absorbed into **KPMG** in 2014) built measurements into its Rainmakers Roundtable program from the start, explained Partner Rosalie Mandel. Initially, the program included 25 women who participated in tightly coordinated rounds of training coupled with business development opportunities. Results emerged right away but really picked up when the most accomplished participants formed a business development coaching group. In the final phase, the women led a series of industry-based business cultivation events designed to win trust with women prospects whose firms held significant potential for new business. For an investment of \$300,000 (and not including \$2.5 million of business pursued but lost), the roundtable brought in \$6.5 million in new revenue. ■

## Lightbulb Moments That Show the Way: Excerpts from the 2015 Accounting MOVE Project Report

*LaChel Hird, chief career officer, CliftonLarsonAllen, based in Minneapolis*



**Moment:** “As we become a full-fledged professional services firm, this is not the moment to compare our firm with our competitors, old and new. Our organization needs to reflect the clients we serve, the communities in which we live and the employees we want to attract and retain today and for the future.”



**Insight:** A living infographic would make the point to all firm leaders.



**Action:** At a firm leadership meeting, women were evenly distributed among the tables. Hird had all stand. Then she had all the men sit. There was a collective buzz as “the group realized we aren’t as diverse as we should be. They didn’t collectively realize it until they saw it.”

“The lightbulb moment becomes a beacon when it is part of the leader’s story.”

— Anne Perschel, president, Germane Consulting, based in Worcester, Mass.

*Chris Millias, managing partner, OUM, based in San Francisco*



**Moment:** “As a staff person, just starting, I would get invited to poker games with partners, and I could see that women didn’t have a chance [to be included].”



**Insight:** “Life is unfair. It’s not that you work hard and it all happens. Then I realized that I could change the world that my daughters would enter.”



**Action:** “My world view changed. My partners felt the same way. We determined to be as flexible as we could be in terms of schedules and opportunities. We put women in situations where they are influencers, and that means they are invited into more projects. We want women to see that if they stick around, it’s worth it. “

“The emerging generation of partners has grown up with Forum W, so they’ve seen the benefits and they know the difference it makes.”—*Jen Wyne, director of human resources, Moss Adams, based in Seattle, citing the cultural influence of the firm’s longstanding women’s initiative.*

*Adelle Erdman, director of marketing, Frazier & Deeter, based in Atlanta*



**Moment:** “I noticed that when we announced that we were sponsoring an event, or had tickets available for a networking event, that women rarely asked for tickets.”



**Insight:** “Women rarely ask.”



**Action:** “Now, to make sure that we have a balanced mix across gender, practice areas and level, I offer spots to women instead of just offering places on a first-come, first-served basis firmwide. It’s a small adjustment that will have big results.” ■

## Trends from the 2015 Accounting MOVE Project Report

### Money, Pay Equity and Pay Decision Policies and Practices

- 47% of participating firms review pay equity and pay decisions by base salary plus performance bonuses,
- 47% of the firms review pay equity for new hires—confirming an equitable starting point for all.

Pay equity dominated business news headlines in 2014. Pressure is building on employers to be proactive, converting pay equity from a compliance issue to an employer branding strength. For example, **Baker Tilly Virchow Krause**, based in Chicago, shares its pay structure rationale with employees, as well as how it uses pay survey data to ensure that employees are paid at market rates.

### Opportunities for Leadership

- Formal succession planning is accelerating, with 47% of MOVE firms now engaged in this practice, up from 36% in 2014,
- Many MOVE firms are still weighing the results of pilot programs with little increased adoption of programs such as coaching for mentors (66%) and formal rotation of women into client-facing roles (38%).

Proven and promising practices gaining momentum include:

- Customizing women’s initiative programs based on the needs of each office and sharing best practices among offices.—CohnReznick
- Assigning every professional a performance coach right from the start.—**Burr Pilger Mayer/** San Francisco
- Creating a career advocacy team that maps emerging career paths that anticipate needs of growing practice areas and offices.—**Yeo & Yeo/Saginaw, Mich.**
- Openly outlining qualifications for each position so staff see what they need to do to advance.—**The Bonadio Group/Pittsford, N.Y.**

*“When women are 51% of the partners, that’s when you get your initiative. You already have the benefit of numbers. Why do you need an initiative?”—response from Darin Goehner, partner, Moss Adams, when other men challenge the need for a firm women’s initiative.*

## Vital Supports for Work-Life

Increasingly, firms are getting creative with virtual work and telecommuting opportunities, offering online training for staff who work remotely (38%), and coaching employees and staff in effective virtual work techniques (50%). For example:

Many public accountants develop the skill of working virtually due to the very nature of the work—especially audits. Some firms are converting this functional necessity to a cultural virtue, such as:

- Erasing lingering stigmas about virtual work by encouraging partners to be transparent about when they are working from home, thus demonstrating universal acceptance,—**Lattimore Black Morgan & Cain/** Nashville, Tenn.
- Asking each employee how and when he or she wishes to work, reinforcing the expectation that each person has access to flexible options.—**Mahoney Ulbrich Christiansen Russ/St. Paul, Minn.**

## Entrepreneurship and Business Development

- 47% of MOVE firms tie marketing to support of local entrepreneurs.
- 56% of MOVE firms use alumni networks to win referrals from former staff—and potentially win those staff back as employees.

Early, consistent business development training helps women gain confidence and competence as they network with peers and capture some early wins—and that helps them understand the expectations for becoming partner. Even at **MCM/Louisville Ky.**, where 39% of its partners are women, the firm’s Women’s Inspirational Network fosters internal networking among women as they enter its formal business development pipeline, said Beth Geiser, director of practice growth. ■