

Management Essentials

Managing Partner 101 - Just What Exactly is the Job?

by Gary Adamson, CPA

Most of us are thrust into the Managing Partner role in our firms with little or no training or coaching. Who teaches you to be an effective MP? How do you know if you're performing well? Your partners won't tell you. If you're new to the job, do you just do it the same way as your predecessor? Is that the best approach for the firm? Who will mentor you?

As I can attest from experience in running my firm for over 20 years, it is a thankless job. I just took a deep breath and jumped in. The best feedback that most of us get is from other managing partners and from benchmarking ourselves against other firms. There are not too many places to turn for help.

Whether you are new at the job or a veteran, here is an approach to organizing the job into six buckets that will help you. It is how I approached the responsibilities and it lends itself to dividing and conquering with the ability to delegate some responsibilities.

Here are my six buckets:

Running the Business. I'm not going to list all of the duties here but it runs the gamut from cash management, to HR, to technology, to facilities management and on and on. In another writing I will get into more of this. But honestly, this is the easy stuff (relatively speaking). It is important and it has to get done but you don't have to do it. This is the job of your firm administrator with your oversight and appropriate involvement. If your firm is too small to have a firm administrator then push as much of this to a competent admin person as you can.

Client Service / New Business. Most of us, unless we are in very large firms, still have a client book to serve and still have a responsibility to bring in new business. I have a couple of observations for you. First, if you are carrying a similar client load as the rest of your partners and have similar charge hours, you are not doing your job as the Managing Partner of the firm. Sorry, but you cannot do the job on top of everything else. My suggestion is that you move some of the book and the hours to others in exchange for some protection from the firm since we all know that for most CPA's our book is our security blanket. Second, remember that as the managing partner your new business results don't have to necessarily come one client at a time. You should also be looking for opportunities to add growth to the firm through acquisition of high level people and/or other practices.

Partner Issues. Now we're starting to have fun! This bucket includes partner coaching and goal setting, the firm's partner compensation process, partner retirements, new partner mentoring, high level lateral hires, partner buy ins and outs, partner employment agreements, etc. This bucket is all about you with some limited help from your firm administrator. These are some of the most important things that you do as the MP and this area is very time intensive if done well. It is also very personal and potentially very rewarding.

Firm Governance. Every firm is a little different but there is a governance structure, either formal or informal, in place. It is the MP's job to keep it working, to get the right people in the right slots and to know when it is time for adjustments or changes. For instance, in my firm we

had Executive Board meetings at least quarterly, periodic full partner meetings, two planning retreats per year, and lot's of communication in between the meetings. It was my responsibility as MP to see that agendas were developed, to run the meetings, to distribute minutes and to follow up and hold people accountable to be sure that decisions got implemented. You can get admin help to chase a lot of this down but if this is not functioning well in your firm, look in the mirror.

Strategic Thinking. I know that no one taught us how to do it but as the MP, it is our job to think strategically about and for the firm. It's big picture thinking; it's the view from 30,000 feet; it's challenging what we are doing and how we're doing it. If you don't do it, who will? This bucket includes firm M&A activity, strategic hires, firm growth, firm markets, services, niches, etc. Your job is not to have the answers. Your job is to ask the questions, challenge your partner group, and nudge them to action when appropriate.

Outside Firm Voice.. As the MP you are the face of the firm in many ways. This bucket includes media relations, spokesperson for the firm, host for firm events, representing the firm at community events, firm association representative, state society and AICPA representation and probably many others unique to your firm. Some of these can be delegated but most MP's that I know carry much of this.

The MP role in your firm is a tough job. I hope that my six buckets will help you organize your work life and your priorities a little bit better. The demographics tell us that there will be a great deal of turnover of MP's in the next several years. Are you ready?

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