

# Building Your Bench for Succession – A Few Ideas to Help You

By Gary Adamson, CPA



Thousands of firms are working through the succession and retirement of senior partners and deciding along the way whether or not they can pull it off internally and stay independent. The single most important factor for success is what we see when we look over our shoulder – is the bench of people there to succeed us? It is that simple but for many firms building that bench has been a daunting task. If you have near term retirements and your bench isn't up to the task or just doesn't exist, then you are probably one of the many firms driving the M&A explosion in the profession. If you have some time to work on it, this writing will provide some ideas to help you.

## Recruiting

Make recruiting a constant effort in your firm meaning that you are always looking for people, not just when someone leaves. Said a little differently, we should always be looking for and have room for great people. If you make the commitment to hire more than you need another very healthy thing will likely happen – you will actually be able to make choices and outpace the weaker players, strengthening the team along the way. We will never be able to do this as well as the Big 4 who historically have accepted (promoted) significant turnover of their younger staff while watching the cream rise to the top. But we need to do it better.

Firms having the best success building their bench almost always have a commitment to grow their own. That means a commitment to a campus recruiting process and not being afraid to compete with the larger firms. This takes consistency, a campus presence, a social media and web face for the firm, knowing the professors and selling your firm. You don't have to settle for the second tier of students. Not every top student is destined for a national firm - you can get some of the best if you work at it. Please don't be cheap – if you want some of the best don't let a few thousand dollars stand in the way.

I also encourage you to create an internship program in your firm. It is a tremendous way to get a test drive before you actually hire someone. Most schools are now structuring internships that run during tax season. A few points: make sure that you look for interns who you have a reasonable shot at hiring

when they graduate; look for multiple year students if you can find them (repeating internships); again, don't be cheap - you want to pay market or better.

Make sure that you have a staff bonus program for recruiting experienced people. You want your team talking to friends about how great it is to work for you and with some skin in the game they will be more inclined. The good news here is that the quality of what they send you is generally much better than what you'll get from an outside recruiter. You want to talk to their friends who aren't currently looking for a job. These plans are generally for senior positions and above and pay \$5000 or more with half at the time of hire and the other half at some future date, if the person sticks.

### Growth and Development

If you can fill the pipeline with new hires how do you grow and keep them? A few ideas that may be helpful:

Do a better job in defining your position descriptions and what it takes to advance to the next level in your firm. Your staff want a checklist – that is not what I am talking about. It is more about the experiences that they have had, the initiatives and leadership they have shown, the training that they have completed. Try to articulate how your expectations are different for each level, for example a senior over a staff person. If you can describe that verbally first, that's a good start. That will give you the basis to build around in writing your position description.

Make it clear what the career progression is in your firm and what the ladder looks like. Then, if you are like most firms and have people on that ladder who are not advancing (they have peaked out at a particular level and will never be an owner in the firm) be honest with them and with everyone else in the firm. That means tell them the truth – they are not going to be a partner. They probably already know it. As important is that everyone else in the firm knows who is on track and who is not. You will lose younger “stars” who want to move up if they think the ladder is clogged by too many people above them.

When I started out in public accounting I didn't get much nurturing along the way. It's different now and building your bench begins with the new hires. It starts off with “buddies” who are peers to help get new staff going, then mentors who are career counselors in most firms and a newer role that I am starting to see in more firms is the sponsor.

A sponsor is a partner who takes a personal interest in helping someone grow into a future owner. It means spending the time and building the relationship to help that person get there. It is really grabbing one of the “stars” in your firm and taking a personal interest in their success. It is a step beyond mentorship and it

takes the right partner to do it. Unfortunately most firms don't have enough if any sponsors.

### Inclusion

The college grads that you are hiring today want to be "a part of it". That is much more than it used to be and it is difficult for many firms to meet the expectations. It is more than communication – it is involvement. The Millennials want you to involve them on the front end. They want to be in the know. They want to not just understand where the firm is going, they want to influence it.

Short of putting new hires on the Executive Committee, there are things that you can do to make your people feel more "a part of it". Here are a few examples:

- Most firms are not very good at articulating the firm's mission and vision. Your staff really does care where the firm is going and they want to be part of a winning team. You need to find opportunities to talk about your mission and vision often and how the firm's actions and direction are consistent with them.
- Put young people on task forces and committees of the firm. Better yet form an Inclusion Committee to get their ideas on how the firm can improve communications with and involvement of the team.
- Create opportunities to communicate with the team especially from the firm's management/leadership group. For example, meet with your manager group after partner meetings to keep them informed; hold an open forum lunch for staff with your managing partner a couple of times a year.

Building your bench is a big job and it involves several different fronts. For smaller firms it is much more difficult to devote the resources to get it done. With that said, it is the answer to perpetuating your firm and accomplishing internal succession.

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