



CREATING A CULTURE OF HIGH ACHIEVEMENT

By Sam M. Allred, CPA

We live in a time of unprecedented change, both in our profession and in the world market place. Stakeholders and staff in accounting firms are wondering what changes are on the horizon in the wake of Enron, World Com and the other debacles in our financial markets. In these uncertain times, the most important thing that leaders can do is to give their partners and staff members focus and a sense of confidence.

David Maister once said, “The goal of strategy is not to forecast where the market is going, but to create a responsive organization which will adapt wherever it goes.” I have often reflected on this statement and I believe it is a core principle that every successful organization must build upon. A key element of strategy is to build excellence within our firms; excellence in processes that allow us to become highly adaptive and responsive to change. Whenever change occurs in the marketplace, it is accompanied by challenges and opportunities. Those individuals and firms who are best prepared to be responsive to change will be the most successful in overcoming the challenges and capitalizing on the opportunities inherent in change.

Please realize that we are discussing something well beyond a willingness to change. Although willingness and responsiveness are in many ways connected, responsiveness embodies not only knowing what to do, but also having the character and passion to follow principles and processes that lead to the desired results.

Many, if not all, leaders of CPA firms would like to build a highly responsive firm – one that can quickly adapt to change - but few know how or where to start. Although we can't cover every aspect of building a responsive firm in a single article, we can lay a foundation for the proper building of such a firm.

PRINCIPLE: You cannot create a responsive and adaptive firm without creating a high achievement culture. Taking this a step further, it is impossible to create a high achievement culture if you cannot consistently accomplish the goals you set. Speaking generally, most CPA firms have a poor track record in accomplishing their goals.

A year ago last April, I received three calls in one week from managing partners of firms asking if I would facilitate their annual retreat. In asking each what they hoped to accomplish during the retreat – firm goal setting was mentioned by all three. I asked each one to describe for me the process they currently used to establish firm goals. All three responses were similar and involved a one or two-day partner retreat with the objective of identifying between seven and twelve firm goals. Some were more detailed in their process than others. After listening to their description of the goal-setting

process, I asked them to “describe the process in their firm for accomplishing goals.” Again, their responses were similar – silence for a few seconds followed by, “Could you repeat the question?” Ultimately all three acknowledged they “didn’t have a process” for accomplishing the goals they had established.

The responses of these three managing partners have been consistent with the responses of numerous firm leaders throughout my travels. Although every firm is different, there are some similarities in why firms are not better at accomplishing their goals.

The Goal Period

It’s not uncommon for firm leaders to set annual goals as well as 3-5 year goals. This has been done for years. In many cases, the shortest goal period within the firm becomes a one-year period. There are at least three challenges associated with this goal period.

Because the goal period is at least a year, there is typically a period of time (usually months) that occurs between the time the goal was set and the time that individuals begin actively working on accomplishing the goal. Human nature is to convince yourself that you have plenty of time to work on the goal. This time lapse often causes the individual responsible for the goal to be somewhat fuzzy about the goal. Some of the clarity that was present when the goal was set has worn off and the goal doesn’t look as crisp as it once did.

Because of the rapid changes that are taking place within our profession and within the marketplace as a whole, it is entirely possible to be working on a goal established eight months ago, which, because of changes in the marketplace, would no longer be on the radar screen if management were setting goals today.

Perhaps the biggest challenge with setting annual goals is that the employees in the firm have to wait a long period of time before they can see the goal accomplished (if it ever is accomplished). This does little to create a high achievement culture within a firm - a feeling that “we can accomplish what we set out to do.”

I am not opposed to annual goals or even 3 – 5 year goals. A firm must look out and chart a course that is in line with their vision. The challenge is to amend the goal-setting process to establish goals with a shorter life span than a year, but to keep the firm headed toward the vision. Try taking the 7 to 12 goals and set them up to be accomplished in three to four month periods. Test the short-term goals to determine if they are keeping with the vision and the longer-term plan. As they say in golf, advance the ball.

Clarity of Goals

Next, let’s turn our attention to the type and clarity of the goals we set. In researching why firms continuously failed to reach many of the goals they set, we found that much of the failure was directly attributable to the point in time when the goals were originally set. Firm goals are often established in a retreat or other goal-setting meeting. The

attendees at the retreat or meeting leave without a real clarification of the goals; an understanding of the tasks that must be accomplished to complete the goals; and there has not been an assignment of individuals primarily responsible for managing the goal and the tasks.

Involvement in the Goal Setting Process

As we have studied the different ways that firms go about setting goals, we have come to realize that one of the critical factors in accomplishing goals and developing a high achievement culture is how centered the employees feel in the goal setting process. In far too many firms, the vast majority of staff has little or no input into the goals that are established. It is difficult for staff to feel passionate about accomplishing goals they had little or no input in developing. To help create a high achievement culture within your firm, you should consider setting two types of goals within your firm – strategic goals and improvement goals.

Strategic goals are set by a relatively small group of people (e.g., the Executive Committee or Directors). Strategic goals follow vision and should be those goals that bring your firm closer to your vision and create a sustainable competitive advantage. Realize that because all staff weren't involved with helping to set the firm's strategic goals, that they may not feel as involved in these goals.

In contrast, improvement goals can be set by smaller groups of people within the firm. These goals are focused on developing excellence in the key processes of the firm. Improvement goals allow a greater number of staff to feel connected to the progress and ultimate success of the firm. These goals also become a primary means of creating a high achievement culture within the firm. These improvement goals can go a long way toward helping a firm become more responsive and adaptive to changes in the marketplace.

The Goal Process

As was mentioned earlier in this article, most firms don't have in place a process for accomplishing the goals they set. During the goal-setting retreat, much more time is spent on developing goals than on determining how best to accomplish the goals once they are set. It's almost as if the entire purpose of the retreat was to come up with the goals. Once this is accomplished, the participants look at each other and in a sense, say, "Well, our work here is done."

Firms must create a process for accomplishing the goals that have been established – both strategic goals as well as improvement goals. This process should include identifying:

- ✓ The benefits that will come as a result of achieving the goal;
- ✓ The factors that must be met in order for the goal to rightfully be pronounced accomplished;
- ✓ The individual tasks associated with each goal;
- ✓ The individual(s) responsible for each task;

- ✓ The date the tasks are to be completed; and,
- ✓ The monitoring system to ensure tasks are completed timely and with the desired level of quality.

One of the primary purposes for implementing a process for accomplishing firm goals is to raise the level of accountability throughout the firm. Goals will never be consistently achieved without a system of accountability.

Although implementing a process of accomplishing goals may not be the easiest thing you will do within your firm, it just may be the most rewarding. Remember that whatever process you start with can be improved upon and will become easier to follow as time goes on. Ralph Waldo Emerson once said, “That which we persist in doing becomes easier to do. Not that the nature of the thing has changed, but that our ability to do has increased.” This statement has great applicability to processes within our firms.

Conclusion

Quality firms are driven to improve – to achieve a higher level of excellence in all they do. With all the uncertainty surrounding our profession, firm leaders must give their employees something they can be certain about. That ‘something’ should be a feeling that the firm can and will accomplish the goals it sets – goals that will allow it to remain a vital factor in the business community. That feeling of accomplishment will lead to a high achievement culture within the firm which, in turn, will aid the firm in becoming more responsive and adaptable to the opportunities that accompany change.