

succession planning

The ideal future owner of your firm? Meet the millennial



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When leaders at many accounting firms start to formulate a succession plan and think about the future of their firms in the near- and long-term, they hit a block.

Sure, you want to groom new, capable partners and owners. But to be a great leader, one has to be beyond smart. A leader must be creative, intellectually curious, passionate and entrepreneurial, and must be able to communicate with a clear vision. The good news? The perfect candidate for future leadership may be closer than you think.

Millennials (people born roughly between 1982 and 2000) sometimes get a bad rap with the baby boomer and Generation X crowds. However, when you look at certain key generational characteristics and drivers this age group generally exhibits, you will start to see a clear leadership path emerge.

According to the Pew Research Center, millennials make up more than 50 percent of the American workforce right now, and this includes the accounting

industry. *Karbon* magazine reports that by 2025, that number is expected to skyrocket to 75 percent.

It's therefore undeniable that millennials are the future leaders and owners of CPA firms, whether it's yours or their own. And it's time to start figuring out how to tap into and maximize the productivity, power and loyalty of this future workforce, and guide them in ways to make them want to be your future partners for firm longevity and long-term success.

Consider the following characteristics and drivers of many millennials, as they relate to firm ownership:

1. MILLENNIALS ARE DRIVEN. This younger generation craves responsibility. They want to see active career progression and are invested in their work. They generally want to keep improving and growing in their duties and roles. In a similar fashion, CPA firm owners are empowered to take the business to new heights and make significant impacts in their clients' lives. Sounds like a match made in accounting heaven.

2. THEY'RE QUICK TO ADAPT. Partly because they have grown up with ever-changing technology, younger workers easily adapt to new systems and are likely to seek out and introduce innovative processes and practices that will positively affect the firm. The accounting profession is fairly dependent on technology-driven efficiencies that free up time, which is another attribute prized by millennials. In addition, business owners of all kinds must be able to quickly adapt and change to the needs of clients, staff and external forces.

3. THEY'RE MULTIFACETED. They grew up consuming information and now possess a combination of a number of skills. In addition to their accounting duties, millennials often pitch in in other ways. From technology solutions and client relations to recruiting and marketing efforts, it is a generation that knows a little bit about everything. Don't pigeonhole them. Younger workers can become your go-to workhorses and trusted advisors on any number of issues.

They're also incredibly eager to give input. The more you rely on and recognize millennials, the more they will give back to you and the firm. And the better your firm will be for it.

4. THEY PRIZE ETHICS. Studies show that 95 percent of millennials desire to work for an ethical employer and believe the firm must play a part in helping their communities. These are both desirable characteristics for firm compliance and outreach efforts. Many people enter the accounting field because they enjoy being fiduciary watchdogs of a sort. In fact, owners of CPA firms must be veritable ethics hawks to make sure the entire team is working in compliance and upholds the standards of practice. In addition, millennials generally want every action the firm takes to represent their values, and want to weigh in on important issues such as

community outreach and philanthropy. Listen and stay connected to them.

5. MILLENNIALS CRAVE RECOGNITION AS MUCH AS MONEY. While compensation is always important, millennials look for rewards that will benefit them in life or in career-enhancing ways. Think of ways to structure innovative programs around compensation, recognition, training, professional development and paths to further their careers. Ownership is its own pinnacle of recognition. It also brings access to clients, people and events to which not all employees are invited. This kind of exclusivity is important — and valuable — to millennials.

6. THEY THRIVE WITH FLEXIBILITY AND COMMUNITY. Millennials require an easily evolving workspace and work hours, but at the same time place great priority on supporting a team and a team effort. The culture of a CPA firm is all about leverage and a successful team result. Flexible work hours are easily adaptable for CPA firms and can be further expanded.

In its 2015 workplace flexibility study, Workplace Trends found that 75 percent of employees ranked workplace flexibility as a top benefit, and concluded it came with improved employee satisfaction (87 percent), increased productivity (71 percent) and talent retention (65 percent). Similarly, a 2015 *Forbes* magazine article, "Why a Flexible Worker Is a Happy and Productive Worker," reported that flexible workers achieved more, were off sick less often, worked longer hours and were happier in their work.

In other words, injecting a sense of flexibility and community into firm life optimizes the performance potential for a CPA firm, and provides an important benchmark for leadership.

While it's clear that not every firm can put in place programs to satisfy every millennial worker on their team, thinking about your succession plan now is a key to maximizing the life — and vibrancy — of your firm. And whether you're ready to accept it or not, that succession plan needs to include millennials.

By starting to understand what makes millennials tick, you can better engage them to unlock the full potential of this emerging generational workforce and ultimately groom them to become the leaders of tomorrow. ■

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