

Superior Leadership For The Managing Partner: Essential Leadership Principles To Implement In Your Firm Today

"At the beginning of the day, it's all about possibilities. At the end of the day, it's all about results." – Bob Prosen, CEO, The Prosen Center for Business Advancement



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Bob Prosen, CEO of Dallas-based **The Prosen Center for Business Advancement**, rejects convoluted management theory, instead offering MPs practical ‘how-tos’ to improve performance, productivity and profitability.

It all boils down to solid leadership. Prosen has helped lead companies such as Sabre, Sprint and Hitachi Data Systems, and uses his corporate experiences in his training programs and speaking engagements. His four essential leadership principles – Healthy Culture, Effective Communications, Trust & Loyalty, and Rewards & Recognition – focus on results. *INSIDE Public Accounting* caught up with Prosen at this year’s *Management Summit* and asked him to share his thoughts on how MPs can improve communication to create a healthy culture at their firms.

Prosen believes good leaders can become great leaders simply by changing the way they talk. In his new book, *“Kiss Theory Good Bye,”* Prosen calls communication the glue that holds the firm together. “The better you communicate, the more trust you will create, which leads to increased commitment, action, and ultimately results,” he wrote. “If any of those components are missing, the connection breaks down and either execution will slow to a halt or, even worse, you won’t achieve your objectives.”

That’s why MPs who want to improve communication should start by developing a strategy to clearly explain the firm’s top objectives. Amazingly, some MPs are so vague about the firm’s goals and how to achieve them, that many employees cannot recite their firm’s top one or two goals. It’s no wonder employees are unfocused. The MP should make sure the workforce understands how they can benefit from meeting the goals and that they will be held accountable.

It’s time to remove the stigma from the concept of holding people accountable, Prosen says. He urges MPs to think about the successful people they’ve worked with in the past: people who didn’t complain, who got their

job done “no matter how high the hill was to climb.” Those are the people who enjoyed being accountable. Think of the employees who had to be managed, cajoled or threatened. “Those people didn’t like being held accountable, and I think that tells leaders of CPA firms a lot. It says, make sure you hire people who have that accountability gene in them, so to speak, because they will make your firm much more successful than the other type.”

Prosen says there is a formula for an accountability-based culture that works across all companies. The MP should declare up front that the goal is to ensure that everyone on the team wins: “We’re going to set the objectives, I’m going to help you win, and the way I’m going to help you win as the leader is to remove the roadblocks that stand in your way.”

THE FORMULA HAS FIVE STEPS:

1. Communicate the firm’s top objectives for the year. Make sure they are measurable, not subjective.
2. Delegate clear responsibilities to various people on the team.
3. Ask team members to report to the MP in one week with a list of up to five ways the MP can help them achieve their objectives.
4. Discuss those five points. “Some people have a very clear view of what they need and it makes a lot of sense,” Prosen says. “But some people are going to come to you and ask for things that are truly unreasonable. For those people you have to be able to tell them no, and give them another alternative to achieve the objectives.”
5. This step is the most fun: Reward handsomely those employees who meet their goals for the year.

Excellent communication skills are critical to the entire process. If communication breaks down, accountability gets compromised and commitments go unmet, Prosen says. “An accountability-based culture rewards results, not activities.”

Clarity is especially important when an MP wants to change a culture that’s been embedded in a firm for decades. The MP must first explain to the team why the culture change is needed. And, because the professional staff will be thinking about it anyway, address the ‘what’s-in-it-for-me’ question up front.

**Focus Early Efforts
On Those Who Are
Ready For Change**

Prosen says that culture change is usually greeted in one of three ways. Some will say, 'It's about time,' some will say, 'I'll wait and see,' and still others will say, 'I don't care what you tell me, I'm not changing.' The first group will help the firm succeed. The middle group will come along once they are shown success. The third group needs to work somewhere else, Prosen says. Resistance to change is the No. 1 barrier to a healthy culture.

The MP should make culture change tangible. Frequent meetings that focus on action items and accountability can be very productive, Prosen says. He suggests managing the firm on a "green" and "red" basis – green means the plans are being met or exceeded; red means they are not and the MP will get involved to help the team member get back on track. That may involve an individual training course, perhaps, or coaching from a more experienced member of the team.

**There's No Such
Thing As "Too Much"
Good Information**

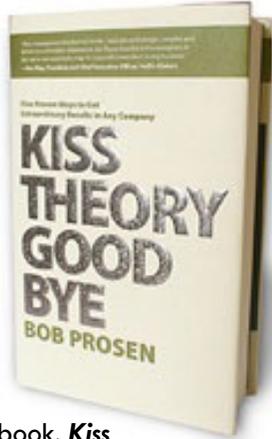
Prosen often hears complaints about poor communication. Accountants who are grinding out hours upon hours of work for the firm do not always understand where all that work will get them. They need to see how they fit in to the culture of the firm and what their potential is to move up and assume more responsibility. "After 25 years of working with some of the world's top corporations, I can tell you this: I've never heard employees complain about getting too much good information from management. Employees have an insatiable desire for information, which is why I tell leaders that they need to communicate, communicate, and then communicate some more."

However, that does not necessarily mean laying out every piece of financial information. Partners with an equity stake in the firm should be given all salaries/financials, but others need to know how the firm's financial performance relates to the company's overall goals.

Communicating a unified message is a special challenge for large CPA firms with many independent partners. In that case, it is not only up to the MP to communicate effectively, the partners managing individual offices must also gain these skills.

However, there's usually one thing that motivates all partners, and that is acquiring new clients. MPs can focus the entire firm on that common goal. But because CPA firms are often so bound to the billable hour, it's a tough balancing act to woo new clients while satisfying the needs of existing ones.

Prosen believes all leaders should hire people smarter than themselves, and that's especially true for those responsible for business development. They should be superstars in attracting new clients to keep the pipeline full for the people who are less comfortable interacting with clients. "It's a huge challenge, but the successful firms do it."



Prosen's book, *Kiss Theory Good Bye* has been chosen as a finalist in *ForeWord Magazine* Book of the Year Awards

How do you measure whether communication is effective? Ask people. Get off the elevator at a different floor, talk to people about what they're working on, and see if they understand how their piece fits into the big picture. It sounds obvious, but it's not done much.

Prosen urges MPs to have the courage to embrace better communication and an accountability culture. "The payoffs are huge. They are just unbelievable in terms of two things that matter most: one, work/life balance and second, the financial benefits. In the long run, your company will be more profitable and you'll have more time to do things you love." ■

Bob Prosen will discuss his two remaining leadership principles – Trust & Loyalty and Rewards & Recognition – in the April edition of *INSIDE Public Accounting*. You may contact Bob at www.bobprosen.net or at (972) 899-2180.

Tales From Across The Globe...

When it comes to names, India has no qualms about being different. Take, for example, the recent decision by the council of the **Institute of Chartered Accountancy of India** to up the profile of its accountants by adding the *prefix CA* to the names of all licensed Chartered Accountants, following the example set by doctors. Now a CA named Mohamed Singh will be addressed as *CA Mohamed Singh*, though it is unclear whether one is meant to say "C" "A" or just to address the person as "Ka."

The decision could be a smart move at a time when demand for accounting services. The pressure for new recruits has become so intense that bigger pay packages simply aren't enough to attract quality staff anymore.

Is *CPA John Smith* coming soon? ■

Source: *CFOasia.com*