



BOOKSHELF REVIEW

Recommended Reading From the JofA

■ *Life Cycle Planning for the CPA Practice: Practical Strategies and Forms*

by Martin M. Shenkman, CPA, MBA, J.D., PFS
AICPA, 2007, 183 pp.

As accounting practices grow, they often experience similar milestones. Author Martin Shenkman's book gives accountants a framework to guide the growth of their practice, providing details needed for careful analysis of major business, tax and planning decisions at every phase. The milestones, and book chapters, are arranged in chronological order to discuss the planning, structuring and documentation of each life cycle stage to help readers understand the specific issues involved.

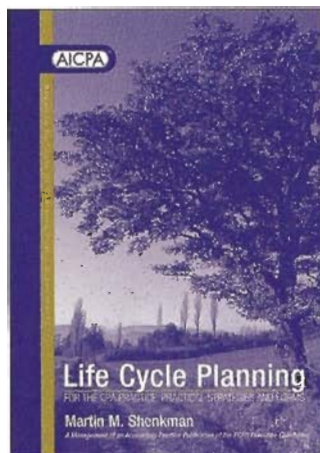
The cycles are identified as setting up a solo practice, hiring staff, transitioning staff from employee to prospective partner status, adding a partner, buying a practice, growing into a multi-partner practice and retirement, terminating a partner, or winding down a practice. Each chapter provides detailed instructions and resources on these topics.

The book also includes a CD of sample forms, letters and checklists that readers can use to plan and execute the outlined strategies. Armed with the details contained in this book, owners or partners can become better educated to make the necessary decisions for the longevity and success of their firms.

By JofA Senior Editor **Loanna Overcash**

■ *At the Crossroads: The Remarkable CPA Firm That Nearly Crashed, Then Soared*

by Gale Crosley, CPA, and Debbie Stover
John Wiley and Sons, 2008, 208 pp.



This story follows a fictional accounting firm, C&P, through its journey from dysfunction and slow growth to success. Although not a novel, the authors use a narrative format to teach readers about the Practice Growth Model, a way of looking at the resources needed to achieve effective growth for improved firm profitability.

Since taking over as managing partner seven years earlier, Joe Abriola realizes his firm has missed opportunities for growth. When the C&P partners also become aware of their failure to measure up against similar-sized firms, tensions and accusations mount. Change is clearly necessary for the firm's survival.

Joe calls on a friend, Alex, who used a disciplined growth model to overcome his own firm's struggles when he became managing partner 18 years prior. Since that time, Alex's firm has successfully sustained 20% revenue growth.

With Alex's guidance, Joe leads the C&P team of partners through an off-site strategic summit to develop a three-year plan for the firm's revitalization. For C&P to grow, they need to develop a common vision and plan. The partners agree that they want to see 15% growth in overall revenues. But their current infrastructure does not support this type of growth.

The C&P partners must implement a system of best practices for disciplined growth that includes:

- Developing a common client profile, or set of descriptors, that will help the firm become more efficient in identifying and servicing clients.
- Keeping an up-to-date inventory of active opportunities.
- Developing revenue segmentation where leaders of either industry niches or service lines own revenue and profit responsibilities for that segment and are held accountable for its direction.
- Managing products effectively based on a discipline of defining, designing and developing a service before it is promoted.

As the changes are integrated, the partners and staff of C&P develop more synergy in their work and improvements are made. Of course, it isn't an easy transformation for everyone, and they lose some people along the way who don't or won't perform up to expectations. But, overall, as the firm puts its strategy into action, they gain greater visibility, progressing in targeted business segments. The growing pains seem worth the effort when three years into the implementation of the plan, the firm is well on its way to achieving the long-term growth it first sought to obtain.

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