Successful Project Management in CPA Firms

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Background

If you've begun reading this article, you are obviously intrigued by the subject matter. Perhaps that's because not many of us think of project management in a CPA firm. It sounds like big company stuff at a Fortune 500 company, right? Or, some of you recognize it as just another hat you're asked to wear along with everything else. The diehards in our industry of CPA firm practice management are always looking for ways to better their firm. They know that having a solid knowledge of how to take an initiative or thought into "production" is sometimes a work of art. Certainly no two instances look the same. This topic of project management could go in several directions, but the path I'd like to take for this guide starts with a story.

It was a cold and stormy October day. The firm's managing partner had just returned from an industry event with several of his peers from across the country. Sessions were led, roundtables were had and there were social events galore providing opportunity to talk shop. Ideas flowed, as is often the case when firm initiatives are discussed and glorified as the next best thing since sliced bread. "Oh, you have (insert new shiny object name here)!" "Maybe we should look into that." These shiny new objects are jotted down on a napkin or hustled off on a smart phone email…. to you…. the practice manager at your firm.

"Look into _____. I talked to a firm doing it and it solves _____. Let's talk when I'm back from _____.

I've gotten those notes from my colleagues. Truly, they are always welcomed.

Another version of this story can also go like this:
"I talked to a firm using _____ like we are. They are having _____ issues. They are now looking at _____, we should, too. Let's talk when I'm back.

I've gotten these messages as well. Again, very welcome. Have you heard this story before? Probably firsthand and probably multiple times with different characters and different endings. Talking to peer firms and getting feedback is often a blessing and can save hours and dollars. When it comes to new projects, we can use all the help we can get.

Many of these new initiatives are technology-based. Technology has a love/hate relationship in CPA firms. It is something that provides value. Change is such a constant in CPA firms that it is hard to even call it change. New ideas are constantly thrown out and practice managers are usually the first line of research and development at your firm. Sometimes, that line can be a brick wall and we truly have to prevent that. Our responsibility is to vet options and pursue those that can save time, reduce expense, expand revenue…you name the verb. This is the starting point for any new project at the firm. It is at this point it will either take hold or forever get put on the back burner.

You've been there…and we all keep going back to it like a favorite vacation spot. As you are asked to explore these options, you essentially become a project manager.

Who has time for that?

What is the role of the project manager in a CPA firm? Following is a sample job description of the project management role. Don't freak out—this is the formal role. The majority of us will not reach the size where this role translates to a full-time position, but the position aspects are good to know. It's also good to know that you probably have many of these aspects mastered!

Project Manager Job Responsibilities:

Accomplishes project objectives by planning and evaluating project activities.

Project Manager Job Duties:

- Accomplishes human resource objectives by recruiting, selecting, orienting, training, assigning, scheduling, coaching, counseling, and disciplining employees; communicating job expectations; planning, monitoring, appraising, and reviewing job contributions; planning and reviewing compensation actions; enforcing policies and procedures.
- Achieves operational objectives by contributing information and recommendations to strategic plans and reviews; preparing and completing action plans; implementing production, productivity, quality, and customer-service standards; resolving problems; completing audits; identifying trends; determining system improvements; implementing change.
- Meets financial objectives by forecasting requirements; preparing an annual budget; scheduling expenditures; analyzing variances; initiating corrective actions.
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.

Project Manager Skills and Qualifications:

Developing Budgets, Coaching, Supervision, Staffing, Project Management, Management Proficiency, Process Improvement, Tracking Budget Expenses, Self-Development, Planning, Performance Management, Inventory Control, Verbal Communication

_____

There are many descriptors that already fit the key attributes of any firm practice manager. Words that stand out are lead, counsel, implement and ownership. On whatever person the hat falls, know that someone at the firm has to wear it or at least play musical chairs with it during the inevitable before, during and after parts of any new initiative at your firm.

Since many firms have the capacity to fill this position full-time, the role can be assigned to one person. For others it can be divided amongst several individuals. However the role is split, the work needs to be done – and done well – or projects will languish and those shiny objects will soon become dull.

Buy-In

If the route in which the project came was via the managing partner, as in the opening story, chances are the buy-in is mostly there. It may still need to be proven, of course, and that comes in the next section. But buy-in depends on the corporate structure of your firm. Not necessarily how it is on paper, but what it is like in real life. As the project manager, you need to obtain buy in. You need to ask yourself who the decision makers are and how you can relay the information to them. The initiative may be presented verbally or written. Verbal may be at a partner meeting or subsets of that group, or other decision makers at the firm. If the group is large, follow up must be done on an individual basis – such as in the meeting after the meeting. Because when it's time for the Q&A period during these group scenarios, crickets are often the only thing that is heard. If you want feedback, talk to each member individually behind closed doors. This is where the questions will come out. This is where the concerns will be relayed. This is where you will probably hear one of the following stances:

- Cost. This will reduce my share of income, not in favor.
- Indifference

- Interested

It is with the last two that have a higher rate of future support. With the first, we focus on cost benefit over time, versus cash outlay up front. There are certainly other responses, but you know your partners best. Bring facts, and they will listen. The cost (especially if it is a completely new cost) argument can be overcome. It is rare that any initiative is truly all new cost, there is usually some net reduction of expense – hard or soft cost – elsewhere. Time is the biggest selling point. No one can get more than 96 15-minute increments in a day. The more of those 15-minute increments can be saved here or there will be the top selling point. Just remember, they won't come in the first year. The learning curve on most anything new will absorb much of the upfront savings, so the payback period will come later.

The White Paper

The white paper is another way to obtain management buy-in for a project. A white paper sounds like big firm corporate stuff, right? It does not have to be. A white paper is just a fancy term for, as Wikipedia describes:

"A **white paper** is an authoritative report or guide helping readers understand an issue, solve a problem, or make a decision. White papers are used in two main spheres: government and business-to-business marketing. They may be considered as grey literature. Grey literature is generally defined as academic literature that is not formally published."

The authoritative part is simply the support you find on the subject and summarize in your writing. Since the Internet contains nothing but truth, it is easier nowadays to find your answers. I've written several for a myriad of projects. Here is a basic outline.

- Executive Summary
- Background
- Describe the "problem"
- Provide solution options
- Peer firm examples
- Provide vendor (if applicable) options and compare/contrast
- The cost
- The benefit
- Timeline

The list could go on, but the beauty of the document is that it is concise – the shorter the better. I've put the executive summary first many times because that is where some partners often attend to first. Others, of course, may jump to the cost section. Still others may just assume you put everything in a two-line spreadsheet and be done with it – this spreadsheet lists the cost to do it and the alternative cost to "do nothing."

If your expectation is that everyone involved in the process will read your work and submit it for a Pulitzer Prize, you'll be disappointed. Stick to the facts, and go light on opinion. Let the reader form his or her own opinion. Plant the seed. When it comes time for the complimentary component to this endeavor – the verbal presentation – you can then interject your pitch and your passion.

One of my favorite sections of this piece is a peer firm example. While I rant about elsewhere in this document how vastly different firms are "in the middle," much of what we do at a baseline level is mirrored firm-to-firm. Having the experiences of peer firms – good, bad and ugly – is a welcome addition to a document such as this.

The Speech

When trying to achieve buy in for an initiative, the speech offers the opportunity to put things in your own words. New initiatives must be able to be articulated both verbally and with the written word, and this provides the opportunity to express things verbally. Your expertise can be demonstrated in conjunction with the previous research demonstrated in a white paper, the networking at industry events with peer firms, and the multitude of conversations with vendors and co-workers. In the scenario where the project involves the purchase of a product you will need to go well beyond the basic understanding that any given salesman or saleswoman would provide to you in a product demo.

Depending on whom you have to "sell," plan for individual conversations to lead up to what might be a partner meeting presentation. Give plenty of time to share the information garnered well before the meeting so that busy partners have time to digest. Most of them, especially if they are the recipients of the white paper, might choose to peruse it but would opt for the verbal variety instead. Personally, I'm glad to be able to deliver it that way, and multiple times as well. Having the opportunity to discuss a large-scale project with individual partners allows them to open up more so than in a larger group. This is not always the case, but it seems more prominent when the topic is technology based. Typically, the partners want to ask unfamiliar information technology (IT) related questions in a more private and non-threatening environment.

Timelines

If you've gotten to this point, congrats! Your project has been approved! The inclusion of a timeline (at least a broad stroke first attempt) in the white paper is a great first step to giving the invested parties a plan of action. Timelines translate to deliverables and that's where your ownership group sees the result of the dollars that came out of their pockets. Chronological order of events on a

document is a great summary to view the project start to finish. Finish is where some often start with, however. Seeing the finish line, the end product, is a great way to say, "Here is what you will be able to do when this project finalizes." That is the true tangible result that investors want to see – along with the path to get there.

Day One: Managing

The project has started. It seems like a long way to go, and you're ultimately responsible. Maybe it's a good day to take off and clear your mind (if you have any vacation left).

Depending on what kind of project it is, the first thoughts can easily be overwhelming. From a practice manager standpoint, while it may depend upon your overall role, all the tasks involved are not on your list for completion. As a project manager you are overseeing the initiative and making sure it all comes together. That does not mean perpetual meetings but means being active, involved and often a cheerleader. While CPA practice managers pride themselves on their organizational aptitude, project management might need a boost in the form of software to keep track of it all. I'll speak to a few examples. One heavyweight and a few lightweights:

Microsoft Project
A heavyweight. Highly capable, but often overkill for the size of endeavors characterized here. One could easily consume a big chunk of their time managing the tool instead of managing the project itself! The tool should save you time, not consume it. I'd refer to this as working in it, versus working on it. You, as project manager, are working on it; your team members, vendors, consultants, etc. are working in it. You jump in daily, but most of the time is *on*. I'm referring to it as a heavyweight because of capability, but also because of cost. For all those involved to take full advantage, they each need to have a

license (and along with that, a learning curve.) The cost quickly escalates and for no added benefit. Microsoft Excel might easily handle the demands being asked of a tool such as Microsoft Project. I guarantee you already have a copy of that!

Workflowy

An app-based tool that is, upon first glance, very basic. That is also the same descriptor you will have after finding yourself using it for a month. Applauded for its simplicity as well as for its price, the cost of this tool is CPA firm budget-friendly – free – in its base version. It is a simple collaboration tool for projects shared among teams.

Asana

Much like Workflowy, Asana is a very basic tool that requires a short learning curve to bring teams together on projects. It is referred to as a replacement for email (before you panic) in regard to status type messages about projects that often get lost in terms of which one is most current. The pricing model is similar as well, with a free teaser version.

Workflowy and Asana are both cloud-based models, storing your data elsewhere and giving you ability to have information at your fingertips on whatever device you choose: PC, laptop, smart phone or tablet.

Free or not, the tried-and-true option that many choose is Microsoft Excel. Heck, you can use Excel for just about anything. The benefits of the lightweight cloud apps are appealing, but frankly unknown by many.

The trap of any of these routes, heavy or lightweight, is that you will get caught up in managing the tool, not the project. If the tool is so complex that it consumes your time and becomes a detriment, versus a benefit, then you'll need to take a different route.

Somewhere in the Middle

Between day one and the day you turn it on, roll it out, etc. you have an expanse of time that will define success or failure. Whether or not you choose to use software to help manage the project, and depending on the size of the project, expect days to be filled with the unplanned and unknown. This is no surprise and already familiar territory for CPA firm practice managers. We all have plans for the day that often get pre-empted by the needs of our colleagues. The amount of fires we put out should qualify us for some type of plaque from the local fire department.

To avoid the trap of Parkinson's Law, it is your job to keep people on track and even reduce the timeline as you see fit. Some portions of the project may go quicker than expected and conversely, other portions may not. Chances are the project du jour has no benchmark for comparison other than that from a peer firm. Comparing firm-to-firm on a project roll-out is a tough job. Whilst CPA firms have the common denominators of input (i.e. client source docs, software vendors) and output (i.e. tax returns, financial statements), what happens between input and output is as far as the east is from the west. We all have different people and processes, so comparing how one firm rolled out something new can merely be a baseline comparison to another firm.

Staying on track will surely be helped by one of those software options, but good old-fashioned methods work well, too. Nothing beats a quick visit to someone on the project team. Yes, you can send an email, but stop by in person to check on progress. It does not need to be formal, but this lost art in a world of email can consume quite a bit of the project manager's time. These impromptu sessions will have a tendency to go down a path of non-productivity in the form of simply griping about one aspect or another. Your role is to tender that and redirect to something positive. My second favorite class in college was industrial/organizational psychology. What I learned in that class is skillsets that

are used and built on every day. Business, oftentimes, is more so a reflection on people interaction and personalities than actually getting things done. Giving an opportunity to let people be human and get things off their chest is necessary. Soon thereafter, getting them back on track is a wonderful trait of any good project manager or CPA firm practice manager.

Let's not forget about you, though. There are times when you need a boost. Maybe the scales are turned and certain partners are coming to you and venting about the initiative, and not in a supportive way. Make updates on the projects and other related matters a regular agenda item for you and your managing partner. Keep him or her abreast of progress so they can be ready for these same discussions when, not if, they come their way.

It may not be an item on the checklist, but your role can be summed up in making sure that others meet their goals. You need to know what they know to a certain degree. It is not just knowing the buzzwords or acronyms, but having a good enough understanding of the whole project so that you can speak to all components at the drop of a hat. This includes the who, what, why, where and when. The bigger ticket item being the *why* – especially as it pertains to why is money being spent and how will it bring benefit. Be prepared – not just for the group discussion but the knock on the door soon to be discussion on that ever so perfectly planned day you have (had) scheduled.

Scope Creep

If the term is new to you, here is a real life example that happens quite often and should explain it:

A meticulous grocery store list is made for the weekly trip to your local big box establishment. Cupboards are inventoried, recipes checked for ingredients to

make planned meals, and coupons are clipped for said items to keep the final receipt in line with the food budget for the month.

Upon arrival at the grocery store and through the duration of the visit, multiple scenarios come into play:

- *You did not eat lunch beforehand, so the snack food allotment goes way overboard*
- *The end cap display with Double Stuff Oreo's is hard to avoid*
- *The moonlighting lunch lady with a hot plate who is giving out free samples of beef jerky forces you to buy three bags*
- *Paper towels are buy 30 rolls, get one free*
- *<fill in the blank>*

Finally, as the scanner stops beeping and your final receipt is handed over, you can't help but wonder, "Why is my bill so high, I set a budget?"

I'm sure it has never happened to you, but it sure does for me. The analogy fits squarely into about any new project/initiative you have at your firm. Make sure you know (and you document), what are the:

- Wants
- Needs
- Expectations
- Deliverables

There is only one way to know. Talk to the people - your end users. Get the wants and needs from them and then DETAIL the expectations and deliverables for the ownership group. Many users might not know what they need or even what is available. This is reminiscent of the Henry Ford quote – "If I'd asked the people what they wanted, they would have said faster horses." This is why needs is part of the equation. Make sure the scope of the project is understood and that it can deviate – but only through the proper channels, with the decision makers

being involved as these changes cost money, and, more importantly, time. Scope creep is dangerous. It can sneak in so innocently and come out on the other end a lion in terms of dollars spent.

The End

Truly, an ending and a new beginning – this is an end to the formal project of getting something rolled out, and a beginning to the usage of "_____" at your firm. This is where all your efforts have come to fruition and this is the point where a handoff usually takes place – like giving someone the keys to the car they just bought. For example, the project manager hands the keys off to a trainer/IT manager for a new piece of software being implemented. Issues related to the new software are now handled by Help Desk, under the tutelage of the project manager for some time to come.

The project has to come to an end by definition. This is not necessarily just to appease a timeline, but also to show that a process happened and it had a beginning and end. Closure. Task complete!

Someone or even several individuals at your firm may well fill the description of the project management role. It takes certain skills to be able to handle the organizational and leadership function it entails. The above guideline is a great starting point to understand what is involved in launching initiatives at your firm. Make sure to connect with your firm management peers (members of AAA) when looking at new initiatives because many of them have gone down the path on which you are about to embark.

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