

## PRACTICE MAKES PERFECT PRACTICE: RECRUITING, MARKETING AND SUCCESSION PLANNING

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James Hitchner, CPA/ABV/CFF  
Ronald L. Seigneur, ASA, CPA/ABV, CVA  
Kevin Yeanoplos, ASA, CPA/ABV

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1

- Top issues have always included:

1. Recruiting and Retaining Qualified Staff
2. Bringing in New Clients
3. Client Retention
4. Succession Planning

**Ronald L. Seigneur, MBA/2**

[www.cpavalue.com](http://www.cpavalue.com) 303.

**Kevin R. Yeanoplos ASA**

[www.bjyvalue.com](http://www.bjyvalue.com) 520.:

**James Hitchner, CPA/AB**

[Jhitchner@finvaluation.com](mailto:Jhitchner@finvaluation.com)

## RECRUITING AND RETAINING QUALIFIED STAFF

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3

### Critical Steps in Effective Recruiting

- Understand the ultimate goal
  - Know what you're looking for
  - Blank slate or bad habits?
- Develop "backlog"
  - Don't wait until there's an opening
  - How important is networking?
  - You can't know too many people
- Keep potential recruits interested
  - Involve firm
  - Optimal communication?

## Critical Steps in Effective Recruiting

- Train everyone involved in hiring
  - Not just human resources
  - Important to train all levels?
- Expand resources
  - Headhunters?
  - “Shotgun” or “rifle”?
- Differentiation
  - Make a big deal of the offer
  - How important is the “rejection”?
- Trust your gut!?!?
- “Golden Rule” vs. “Platinum Rule”?

5

## Critical Steps in Effective Recruiting

- Acknowledge strengths and weaknesses of current structure; identify staffing gaps and whether they can be filled by existing employees
- Be creative about recruitment and avoid getting locked into one approach.
- Be creative with print ads and appeal for candidates, personalize advertisement
- Use recruiter's network and give them permission to seek candidates through social media and alumni networking groups.

**Ronald L. Seigneur, MBA/6**

www.cpavalue.com 303.

**Kevin R. Yeanoplos ASA**

www.bjyvalue.com 520.:

**James Hitchner, CPA/AB**

Jhitchner@finvaluation.com

## Attracting/Retaining Top Level Associates

### Top motivational factors

- Time for personal life
- Opportunities for advancement
- Professional growth
- Sense of and evidence of achievement
- Interesting, challenging work
- Being a member of a team
- Training and mentoring
- Employment security
- Leadership opportunities

7

## Attracting/Retaining Top Level Associates

### Why associates leave

- Not a good fit with firm
- Compensation – present or future
- Desire to do a different kind of legal work
- Relocation to a different state
- Desire for more family time
- Desire to move in-house
- Desire to work fewer hours
- Leaving the profession
- Desire for more trial experience
- “Small firm blues”
- Lack of advancement, career prospects
- Personality clashes with partners

**Ronald L. Seigneur, MBA/8**

www.cpavalue.com 303.

**Kevin R. Yeanoplos ASA**

www.bjyvalue.com 520.:

**James Hitchner, CPA/AB**

Jhitchner@finvaluation.com

## Retaining Qualified Staff

- Be open with your firm employees. Share the firm vision and use your existing staff to recruit; they know your firm and your firm culture better than anyone.
- Be flexible with work expectations; do you offer flexible work schedules?
- Develop an internal leadership or mentoring program; establish a partner-in-training program
- Be transparent, invite the next generation of leaders to be active participants in management meetings

9

## MARKETING

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**Ronald L. Seigneur, MBA<sup>10</sup>**

[www.cpavalue.com](http://www.cpavalue.com) 303.

**Kevin R. Yeanoplos ASA**

[www.bjyvalue.com](http://www.bjyvalue.com) 520.:

**James Hitchner, CPA/AB**

[Jhitchner@finvaluation.com](mailto:Jhitchner@finvaluation.com)

## Marketing Mantras

- Advertising or marketing or public relations?
- The main thing is to keep the main thing the main thing
- Get the whole firm involved?
- Money spent doesn't necessarily mean effective marketing

11

## Marketing Mantras (continued)

- Keep your friends close and your enemies closer?
- Better face to face than ear to ear?
- Consistency is everything

**Ronald L. Seigneur, MBA<sup>12</sup>**

[www.cpavalue.com](http://www.cpavalue.com) 303.

**Kevin R. Yeanoplos ASA**

[www.bjyvalue.com](http://www.bjyvalue.com) 520.:

**James Hitchner, CPA/AB**

[Jhitchner@finvaluation.com](mailto:Jhitchner@finvaluation.com)

## Key Questions

- Do you have a competitive advantage?
- Do you know what it is?
- Are you taking advantage of it?
- Do you regularly reassess it?
- Are you prepared and willing to change direction?

13

Source: BVR's 2019/2020 Business Valuation Firm Economics & Best Practices Survey

### 8.1 Who Takes Lead Responsibility for Marketing at Your BV Practice?

All Partners	36.9%
I do (sole proprietor, managing partner)	45.9%
Full-time marketing staff	12.3%

- In most BV practices, the partners or owners take lead responsibility
- At smaller firms, marketing tasks done by office managers & AAs
- Practices begin to look at hiring full-time marketing staff about the time that they grow to \$2 million in revenues

### 8.2 What Percentage of Your BV Business Came from the Following Client Groups for the Last 12 months?

	All Firms		
Lawyers	44.3%		
Business Owners	17.2%		
Non-BVFLS Partner Referrals	34.1%		
Non-Big 4 CPA/CA firms	20.5%		

Many BV firms have become savvy at marketing to lawyers

**Ronald L. Seigneur, MBA/14**

www.cpavalue.com 303.

**Kevin R. Yeanoplos ASA**

www.bjyvalue.com 520.:

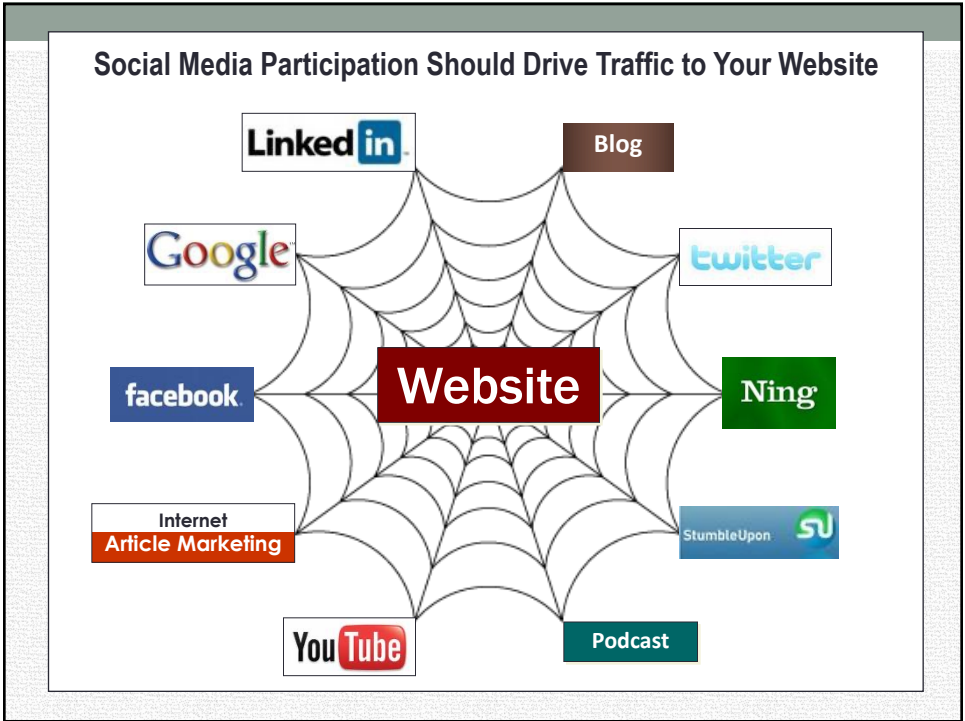
**James Hitchner, CPA/AB**

Jhitchner@finvaluation.com

Source: BVR's 2019/2020 Business Valuation Firm Economics & Best Practices Survey

8.7 What Marketing Techniques Does Your BV Practice Currently Employ?		8.7 What Sales & Marketing Activities Were Most Effective for Your BV Practice in the Last Year?	
One-on-one meetings	58.1%	"Cross marketing" (entertaining, calling, visiting existing clients)	
Public speaking	43.5%	Public speaking	
Cross-marketing and meetings with existing clients	40.3%	Attending seminars/conferences	
Business associations	37.1%	Writing for journals or other publications	
Website updates	35.5%	Membership in business associations	
Publishing in journals	29.0%	One-on-one meetings	
Seminars/conferences	27.4%	Direct mail	
E-newsletters/blogs	23.4%	Participation in RFP	
Co-sponsoring seminars	21.0%	Co-producing seminars with law firms	
Networking	18.5%	Website	
Emails	16.1%	Social networking	
Other	4.8%	E-newsletter or blogs	

15



## Firm Differentiation

- What makes you different?
- What is your unique selling proposition –
  - Superior customer service
  - Best pricing (not always a good strategy)
  - Wide range of services
  - Reputation, relationships
  - Testifying skills
  - Credentials

17

**If the phone is not  
ringing, your  
marketing sucks**

– Barbara Walters Price

**Ronald L. Seigneur, MBA/18**

[www.cpavalue.com](http://www.cpavalue.com) 303.

**Kevin R. Yeanoplos ASA**

[www.bjyvalue.com](http://www.bjyvalue.com) 520.:

**James Hitchner, CPA/AB**

[Jhitchner@finvaluation.com](mailto:Jhitchner@finvaluation.com)

# You can't know *too* many people

– Kevin Yeanoplos

19

## SUCCESSION PLANNING

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**Ronald L. Seigneur, MBA/20**

[www.cpavalue.com](http://www.cpavalue.com) 303.

**Kevin R. Yeanoplos ASA**

[www.bjyvalue.com](http://www.bjyvalue.com) 520.:

**James Hitchner, CPA/AB**

[Jhitchner@finvaluation.com](mailto:Jhitchner@finvaluation.com)

## Practice Trends

- Workforce is aging, rather than new individuals coming into our profession at a rate to balance with retiring individuals, our profession has been growing older.
- Instead of being a pyramid shape (smaller at the top and wider at the bottom), our professional demographics have recently looked more like a funnel.
- Ramifications for exit planning?
  - Consolidation?
  - Oversupply of companies for sale?
  - More accommodating in recruiting?

Slide 21

21

## Succession Plans

- Do you have/need a written succession plan?
- Do you have practice continuation agreement?
- How is retirement funded?
- When are you planning to retire?
- What does “retirement” mean?

Slide 22

**Ronald L. Seigneur, MBA/22**

www.cpavalue.com 303.

**Kevin R. Yeanoplos ASA**

www.bjyvalue.com 520.:

**James Hitchner, CPA/AB**

Jhitchner@finvaluation.com

## Retirement/Buyout Plan

How is “your share” determined?

- Bringing in business
- Managing the firm
- Servicing/retaining clients
- Developing staff
- Capitalizing the firm
- Working hard and smart

23

## 5 Key Questions for Owners

- Am I ready to share authority and power?
- Do I have a vision for my future, once retired?
- Will I share increased profits (my key people will produce) to facilitate the buy out?
- How will I limit double taxation, for me and the employee purchasing stock?
- Am I willing to lose a key employee if attitude and fit are an issue?

24

**Ronald L. Seigneur, MBA/24**

[www.cpavalue.com](http://www.cpavalue.com) 303.

**Kevin R. Yeanoplos ASA**

[www.bjyvalue.com](http://www.bjyvalue.com) 520.:

**James Hitchner, CPA/AB**

[Jhitchner@finvaluation.com](mailto:Jhitchner@finvaluation.com)

## 5 Key Questions for Successors

- Am I willing to do whatever it takes?
- Do I take initiative? Do I have the confidence to contribute by challenging the thinking of the owners when appropriate?
- Do I have good judgment and strong people skills? Will people follow me?
- Can I articulate the company's vision, values and mission on a practical basis each day?
- Do I have business acumen? Do I care about making money?

25

25

**Ronald L. Seigneur, MBA ASA CPA/ABV/CFF CVA CGMA**

[www.cpavalue.com](http://www.cpavalue.com) 303.980.1111

**Kevin R. Yeanoplos ASA CPA/ABV**

[www.bjyvalue.com](http://www.bjyvalue.com) 520.327.8258

**James Hitchner, CPA/ABV/CFF**

[Jhitchner@finvaluation.com](mailto:Jhitchner@finvaluation.com)