

'What got you here won't get you there'

*Maryland's young CPAs create
a vision of the profession's future*

A report from the Maryland Association of CPAs'
2011 Leadership Academy

Maryland Association of Certified Public Accountants, Inc.

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Executive Summary

In an increasingly changing and complex world, today's youngest CPAs – tomorrow's CPA leaders – say the profession must become more global, proactive, trustworthy, future-focused, balanced, and tech-savvy to maintain its competitive edge.

Doing so, they say, will require a greater degree of professional unity, collaboration, crowdsourcing (that is, relying on groups or communities of people to do jobs that have traditionally be done by individuals), personal and professional flexibility, a mind shift from history to possibility, and a new tech-focused mindset.

In other words, “What got you here won't get you there.”

Those inspired words belong to Emmanuel Gobillot, author of the book *Leadershift: Reinventing Leadership for the Age of Mass Collaboration*.

Gobillot's point is simple: The only constant in our world today is change – change in economy, in demographics, in communication and, most significantly, in technology. Our personal and professional success will be determined by our ability to stay ahead of that change – to detect what futurist Andrew Zolli calls “the weak signals of disruptive change” on the horizon and position our organizations to take advantage of the opportunities those changes present.

Tell CPAs something they don't already know.

In 1998, the CPA profession released *The CPA Vision: 2011 and Beyond*. It was an unprecedented grassroots project in which the American Institute of CPAs and state CPA societies joined forces to identify future challenges and opportunities and create a vision for the future of the profession. About 3,400 CPAs from throughout the nation volunteered a cumulative 21,456 hours of their time to the project. Among the results is the profession's now familiar core purpose: “CPAs ... making sense of a changing and complex world.”

CPAs reconvened in 2011 to update that vision; that work is found in *CPA Horizons 2025*. Released in October 2011, the report found that CPAs remain strongly aligned with the original vision while focusing on new trends like diversity, globalization, IFRS and mobile technologies. Steve King, a futurist with Emergent Research and lead researcher for the 2010 report *Intuit 2020: Twenty Trends That Will Shape the Next Decade*, validated the Horizons research, saying the trends identified by CPAs are impacting every industry in every corner of corporate America.

Maryland CPAs go beyond the trends

Maryland's young CPAs set out to take that research a step further.

In September 2011, the Maryland Association of CPAs held its inaugural Leadership Academy, a two-and-a-half-day program in which 40 of the CPA profession's brightest future leaders envisioned their own future for the profession. Using the trends identified in the *Vision* and *Horizon* work as a foundation, they offered their view of what the CPA profession of the future will look like, then told us what they will need to get us there.

The result is a wholly unique “bold future” of the profession that goes beyond the trends and tells us exactly how they plan to take advantage of the opportunities presented by Zolli's “weak signals of disruptive change.”

According to these young professionals, the future is one in which CPAs:

- are proactive, flexible, adaptive and collaborative by nature;
- have regained the trust of their clients and the public at large;
- have successfully bridged the profession's "leadership gap" by focusing on succession planning, personal growth, and generational cooperation;
- have created the profession's premier global industry standards and best practices;
- have redefined the profession through work / life integration, collaboration, and a team-first approach; and
- have earned a reputation as technological innovators.

To achieve that vision, the young leaders say the profession's work going forward must focus on six key opportunities:

1. Professional unity
2. Work / life integration
3. The evolving nature of leadership and new leadership models
4. Proactive, goal-focused planning
5. Networked collaboration
6. Embracing and adopting new technologies

We will explore these ideas in depth in the sections below.

History and background

1998: The Vision Project

Solidly grounded in a century of history and tradition, CPAs and their clients enjoyed spectacular success during the boom years of the 1990s. Even as business flourished, though, the profession's leaders realized that "success in the present cannot be relied upon as a barometer for the future." Change was knocking at the door, and CPA leaders recognized the need for a comprehensive vision that would help navigate those waves of change.

Thus was born *The CPA Vision: 2011 and Beyond*.

Launched in 1998, the project's aim was hugely ambitious: Enlist the help of CPAs across the nation to create a vision for the future of the profession. In a series of focus groups and surveys, thousands of CPAs offered their views on the current state of the profession and what it might look like in 2011.

The final results presented a bold vision for 21st century CPAs. Those results included:

A vision statement: "CPAs are the trusted professionals who enable people and organizations to shape their future. Combining insight with integrity, CPAs delivery value by communicating the total picture with clarity and objectivity, translating complex information into critical knowledge, anticipating and creating opportunities, and designing pathways that transform vision into reality."

A core purpose: "CPAs ... making sense of a changing and complex world."

Core values:

- Continuing education and lifelong learning
- Competence
- Integrity
- Objectivity
- Staying attuned to broad business issues.

Core services:

- Assurance and information integrity
- Technology services
- Management consulting and performance management
- Financial planning
- International services

Core competencies:

- Communications and leadership skills
- Strategic and critical thinking skills
- A focus on the customer, client and market
- Interpretation of converging information
- Technologically adept

2011: CPA Horizons

The CPA Vision was due for a makeover in 2011, so the AICPA and state CPA societies joined forces once again to produce *CPA Horizons 2025*, an update to the vision that offered a glimpse of the profession 15 years down the road.

After 16 “future forums” in cities from coast to coast, hundreds of CPA volunteers reached a remarkable conclusion: Thirteen years later, the original CPA Vision still held up. Most participants said the vision, purpose, values, services and competencies are as relevant today as they were in 1998.

Predictably, though, CPAs across the nation said the trends they’ll be dealing with in the future have changed as time has passed and complexity has increased. The top 10 trends identified during the *Horizons* process were:

1. Technology as a driver of change vs. an enabler
2. Pre-certification and lifelong learning
3. A worldwide profession
4. Pride in the profession
5. The notion of CPAs as trusted attestors
6. The notion of CPAs as trusted advisors
7. Market permission
8. Marketplace changes
9. A focus on the profession’s value proposition
10. Demographic shifts

In tandem with the *Horizons* research, the Maryland Association of CPAs conducted its own series of “future forums” to compare opinions in Maryland with those nationwide. Not surprisingly, the Maryland results were strikingly similar to the national results, with one exception: Maryland CPAs include “a shift to consumer power” as one of their top trends to watch. Interestingly, alignment with the original vision was stronger in Maryland than nationally.

The results got us thinking: What do today's young CPAs – tomorrow's CPA leaders – think about all of this?

We decided to find out.

2011 MACPA Leadership Academy

The MACPA gathered its inaugural Leadership Academy class in September 2011 with one goal: Give young CPAs the skills they will need to bridge the profession's expected "leadership gap" – the result of too many Baby Boomer leaders retiring and not enough Generation X or Generation Y leaders to take their places.

The program was designed to give participants the resources they need to forge relationships and expand their competencies, and to empower them to become leaders. The foundation of the Leadership Academy is the **i2a: Insights to Action Leadership System**, a triple-track leadership development approach focused on strategic thinking, energy-rich and resilient leadership, and positive influence across a network, co-developed by Tom Hood of the Business Learning Institute and Gretchen Pisano of Sounding Board Ink. Elements of this system were also used by the *CPA Horizons 2025* project and are the foundation of the "CPA Horizons Future Forum" do-it-yourself toolkit provided to CPAs nationally by the AICPA's PCPS and the Association for Accounting Administration.

The Academy's leadership formula centered on three essential competencies for leading in rapidly changing times:

- *Strategic thinking*: Note that this is not strategic *planning*. Planning for a future in flux is nearly impossible; in times of great chaos, strategic plans become obsolete almost as soon as they have been created. Strategic *thinking*, on the other hand, is the ability to think strategically all of the time – to be nimble enough to alter your course in mid-stride to navigate an ever-changing landscape.
- *Energy-rich leadership*: This competency utilizes leading-edge, evidence-based practices emerging from the field of positive psychology to support and facilitate self-awareness, resiliency and a strength-based approach to personal and professional leadership. In particular, the Academy emphasizes the application of a **Strength-Based Leadership** theory (outlined in a book by the same name by Tom Rath and Barry Conchie) and the integration of the theories of **positivity and well-being** (by Barbara Fredrickson and Martin Seligman, respectively). Leaders who are able to successfully integrate these concepts into their personal and professional domains will reap the rewards by developing strategies to continuously renew themselves even in the most difficult circumstances. Resilient leaders who are fluent in bringing their strengths and those of the people they lead to the forefront will redefine what it means to be a leader and a global competitor in the new reality.
- *Network leadership*: This is the big shift in leadership from command and control to connect and collaborate. The best leaders today are adept at working beyond their positional power to tap the collective genius of others within and between their organization and customers, suppliers, and strategic partners, allowing ideas to flow and innovation to emerge. These leaders know how to seek shared insights and have the aptitude to mobilize others to action.

The goal of the Academy was to provide the theory, tools, techniques and practice field for Maryland's young CPAs to develop their skills, strengths and effectiveness as leaders. The curriculum included the following:

- Introduction and familiarization with the latest research on positivity, resiliency and strength-based approaches to personal and professional development.
- An understanding of their unique sets of character strengths, values and strength strategies, and how they manifest in their work life and life's work.
- Development of strategies to contribute to their resiliency over the long term -- i.e., the ability to "bend without breaking," despite circumstances.
- Implementation and practice with the i2a Strategic Thinking System, a methodology to facilitate collaborative and visual strategic thinking sessions that engage participants and facilitate the flow of ideas and innovation through a five-phase process of (1) sight, (2) insight, (3) create, (4) communicate and (5) inspire.
- Techniques for communicating their ideas in a way that others can easily grasp, and providing inspiration that others are interested in following.

In essence, the goal of the MACPA Leadership Academy was to equip today's young leaders with a forum to build professional unity, techniques to develop and sustain themselves in preparation for a lifetime of leadership, a methodology to teach and facilitate strategic thinking, and the inspiration to magnify their positive impact on the profession through proactive participation, commendable leadership and collaboration in their profession, communities and personal lives.

Turning challenges into opportunities

Along the way, the program evolved into a robust discussion about the future of the profession itself. With the *Vision* and *Horizons* work as a foundation, participants identified a few key elements that would help define their own vision:

Current challenges that are impacting the profession: According to the young CPAs, these include generational issues, succession planning, staff recruitment and retention, globalization, life balance, competition, complexity, and an increased importance of legislative / regulatory advocacy.

Opportunities that arise from those changes. Interestingly, participants identified more opportunities than challenges. Their highest-level opportunities included these:

- Leveraging technology across all areas.
- Creating a global market for U.S. firms; the move toward IFRS weighs heavily here.
- Differentiating themselves from the competition through innovative business development.
- Becoming a resource to help clients manage complexity.
- Mastering life balance, time management and flexibility to recruit and retain top talent.
- Building relationships with students as a recruitment tool.
- Building an effective mentoring plan to address succession and generational issues.
- Using networked collaboration to get CPAs engaged and involved in the future of the profession, as well as to get buy-in / support for new ideas and innovations from all levels.

With their high-level opportunities identified, the young CPAs set their sights on the future.

The CPA profession's bold future

With those opportunities as a backdrop, the future leaders worked together to create a shared vision of the profession's future, using 2023 as a target. They started with single words, then built a narrative that identifies what they believe the profession should be, do, create, experience and have in 2023. That narrative looks like this:

In 2023, CPAs will ...

... be proactive, anticipating problems before they occur, having the foresight to see what is happening in the global business community, then acting on what they see and following through.

... be flexible, adaptable and open-minded. They will understand the impact of current events and be willing to change based on new information. They won't accept the status quo, but rather will be in a constant state of improvement and innovation. They will enable people to use their strengths, and will utilize all available resources to create a culture that encourages new ideas.

... be trusted, solidifying their standing as the most trusted business advisor. In doing so, they will have earned back all of the public's goodwill that they lost during the Enron / Worldcom years.

... bridge the profession's leadership gap by successfully developing the next generation of leaders. They will solve the differences between generations through better communication, mentorship and understanding.

... create a set of premier global industry standards and best practices.

... create an empowered team environment focused on knowledge exchange and two-way communication.

... create a balanced work environment that emphasizes the passion of a career and the growth of the whole person.

... create a professional culture that is flexible, adaptable, proactive, collaborative and future-focused.

... encourage each CPA to seek growth opportunities and know as much about their entire profession as possible. Their theory: A well-rounded understanding of the entire profession makes one a better leader.

... be at the forefront of technological advancement, both as earlier adopters who easily embrace changing technology and as technological advisors to clients who are struggling to stay current.

... have a positive personal and professional impact on their communities.

A bold future, indeed. With that vision in hand, the question for Leadership Academy participants then became: "How do we get there? How do we move those powerful insights to action?"

Insights to action: Six key opportunities

The answer was found in their final step: Organizing their vision for the profession's bold future around high-leverage opportunities.

In fact, those opportunities *are* the answer: If tomorrow's CPA leaders focus on these key opportunities, their vision of the future will be within reach.

Those opportunities are:

1. **Professional unity:** Working together as one profession to maintain their integrity and the public trust. They are no longer tax preparers or auditors or CFOs or staff accountants – they are CPAs. That unity becomes increasingly important as borders fade and globalization takes hold.
2. **Work / life integration:** It is most often referred to as “work-life balance,” as if work and life are separate entities. Work is part of our lives, and the sooner we accept that and adjust accordingly, the better off we'll be. With that as a starting point, tomorrow's leaders must understand that “balance” means different things to different people; one size *doesn't* fit all. As long as the work gets done and the clients are happy, letting people find their *own* balance will be a key to recruiting and retaining talented staff. If that means moving away from the rigidity of the billable hour and embracing value billing, so be it. Life balance may eventually become part of the review process. Appraisals may place more emphasis on the growth of the *entire* person – personal *and* professional – and focus less on traditional on-the-job metrics.
3. **The evolving nature of leadership:** The advent of social media and the massive rate of change and complexity have forced leaders to evolve. Tomorrow's CPAs will lead not by traditional command-and-control methods but by connecting and collaborating. “Participative management” will be the norm because, in times of great change and complexity, “we” are smarter than “me.” Leaders who successfully tap the hearts, smarts and ingenuity of their people for ideas and inspiration will stand head and shoulders above the rest. At the same time, tomorrow's leaders must inspire their people to action and make them feel, in Emmanuel Gobillot's words, “stronger and more capable.” That, in turn, will breed the next generation of leaders to carry the torch.
4. **Proactive, goal-focused planning:** Accounting is often a reactive profession. Its very nature means CPAs are often entrenched in the past, dealing with historical data and events. When you're looking behind you that often, it's sometimes difficult to look ahead. But that's exactly what tomorrow's leaders must do to thrive. Remember Andrew Zolli's warning: The reason most leaders fail is that they fail to detect the weak signals of disruptive change on the horizon. Identifying trends *before* they become challenges will be a huge leadership advantage going forward. It also will be a vital part of staff development and succession planning. Forging relationships with students *before* they enter the profession will give leaders a major recruiting advantage over their competition.
5. **Networked collaboration:** Nobody goes it alone these days. They can't afford to. It goes back to the notion of collaboration. In an age when complexity rules the day, none of us has all of the answers. More and more, we will need to turn to our networks for help. Not only will tomorrow's CPA leaders be more active participants in their personal and professional associations, they will encourage their employees to participate as well. Social media will help us expand our networks and knowledge exponentially, and in an age of crowdsourcing, that is hugely important. But old-school social networking – the face-to-face learning opportunities that we have nurtured for centuries – will enjoy a renaissance as more people turn to their networks for information and advice.

6. **Embracing and adopting new technologies:** Let's face it: CPAs are notoriously late adopters. In an age of extraordinary technological evolution, that will have to change. Tomorrow's CPA leaders will position themselves at the front of the technology train, embracing new technologies to give their organizations a competitive advantage *and* becoming indispensable technology advisors to their clients at the same time.

Summary

The 2010 IBM Global Chief Human Resource Officers study sums up our thoughts nicely.

"Opportunities to penetrate new markets and develop new offerings will drive future workforce investment, regardless of region. However, while businesses have traditionally managed their workforces with an eye toward operational efficiency, they have not necessarily done so with the creativity, flexibility and speed to capitalize on the growth opportunities that spring from an ever-more dynamic global marketplace. Nurturing these capabilities will require organizations to focus on cultivating creative leaders, mobilizing their workforces for speed and flexibility, and capitalizing on collective intelligence — things they admittedly have not done well in the past."

So do these thoughts from Tom Hood and Gretchen Pisano, co-authors of the Insights to Action Leadership System that was used during the i2a Leadership Academy.

"It is hard to plan for the long-term future when you don't know what is going to happen five minutes from now. Today, a competitive edge based solely on material advantage is thin and temporary; the edge quickly becomes the margin. The ability to define the edge, and the ultimate competitive advantage, is found in the smarts, heart and ingenuity of your people. That's your powerhouse. Tap that, train it, focus it and mobilize it; now you've engaged a network and inspired a sustainable shift."

"Insight to action -- one without the other is either useless or destructive."

Or, to repeat our thoughts from the Executive Summary: In an increasingly changing and complex world, today's youngest CPAs – tomorrow's CPA leaders – say the profession must become more global, proactive, trustworthy, future-focused, balanced, and tech-savvy to maintain its competitive edge.

Doing so, they say, will require a greater degree of professional unity, collaboration, crowdsourcing, personal and professional flexibility, a mind shift from history to possibility, and a new tech-focused mindset.

Piece o' cake, right?

It will be if CPAs embrace the notion of strategic thinking – of being flexible enough to alter today's plan to embrace tomorrow's trends.

The MACPA's 2011 Leadership Academy participants learned how to do just that. If they can pass that skill on to the next generation of CPA leaders, along with the sense of urgency to "pay it forward," the future of the profession is bright, indeed.

Resources

The system

The Business Learning Institute's i2a: Insights to Action Leadership System is an integrated suite of tools and practices available in several options to be customized for your organization or firm. It is being used nationally by the AICPA and several state CPA societies:

- i2a: Future Forums: <http://www.bizlearning.net/live/i2afutureforums%20>
- i2a Strategic Planning: <http://www.bizlearning.net/live/i2astrategicplanning%20>
- i2a: Leadership Academy: <http://www.bizlearning.net/live/i2aleadership%20>

The vision projects / future thinking

CPA Horizons 2025

www.cpahorizons2025.com

The CPA Vision: 2011 and Beyond

<http://j.mp/nBEHVr>

2011 MACPA Leadership Academy

<http://j.mp/pjWjki>

Intuit 2020: Twenty Trends That Will Shape The Next Decade

<http://about.intuit.com/futureofsmallbusiness/>

Business in 2020: A decade in demographics

<http://j.mp/qjBUdn>

Business in 2020: All social, all the time

<http://j.mp/nwzINh>

Business in 2020: Economic scarcity ... and abundance

<http://j.mp/nAPUHW>

Business in 2020: A tech-driven world

<http://j.mp/rteVwj>

From the thought leaders

"Leadership is dead. Long live leadership," an MACPA video interview with author Emmanuel Gobillot

<http://j.mp/pXv63k>

Leadershift: Reinventing Leadership in the Age of Mass Collaboration, by Emmanuel Gobillot

<http://j.mp/r7h5le>

"Innovation is everyone's business," a CPA Success blog post featuring futurist Andrew Zolli

<http://j.mp/ntMYzl>

2010 IBM Global Chief Human Resource Officers study

<http://j.mp/nZdApE>

Resources

CPA Success blog posts

What's over the Horizon for CPAs?

<http://j.mp/p6GTFZ>

Not all millennials are created equal. Here's proof

<http://j.mp/qXtMm8>

Leaders don't guess. They turn insights to action

<http://j.mp/qThjzH>

Change is constant. Action is not negotiable.

<http://j.mp/qaw4Hk>

What do young professionals want?

<http://j.mp/r87rT2>

Things will never be the same. Thank God.

<http://j.mp/mZlgjA>

The times, they are ... progressing

<http://j.mp/nAidrH>

Roster: 2011 MACPA Leadership Academy

Name	Organization
Amber N. Askew, CPA	Clifton Gunderson LLP
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